



2023

Sustainability Report

At home in the future



DEAR READERS,

For all of us, being in crisis mode has almost become normal – whether this is in response to climate change, wars or the tangible rightward shift in public opinion. People around the world are facing a growing number of challenges – often at the same time. This requires a response from each of us as individuals and from society as a whole.

We at Schwäbisch Hall are committed to cooperative principles and are convinced that working together is the only way to resolve global challenges. Community, diversity and democracy are the key to enabling us to feel at home on this planet in the future. The rise of radical forces is not only damaging solidarity but jeopardising the economic success and prosperity of our country.

For our customers as well, the past year brought a lot of uncertainty: inflation, high construction costs and the dramatic rise in interest rates. At the same time, the aspiration of home ownership remains unbroken. We are confident that the downturn has now ended and are ready to support people on this path. *Bausparen* is and remains a safe way of building equity and ensuring the financial security of future generations.



Mike Kammann became the Chief Executive Officer of Bausparkasse Schwäbisch Hall AG in 2024. The business graduate joined the company ten years ago. He is now responsible for Accounting and Reporting, Financial Controlling (including collective management), Internal Auditing, Loans, Communication, Human Resources, Legal and Compliance, Corporate Development and General Office/Politics/International Markets. Together with other business leaders, he is a member of the Board of Trustees of the *Stiftung KlimaWirtschaft* (German CEO Alliance for Climate and Economy), which presses for greater climate protection.

Against the backdrop of the climate crisis, building and living also remain in a state of transition. This is because transforming building stock is one of the keys to reversing climate change. People need guidance and clear information if they are to accept this – something we also saw in the past year. Working with our partners in the German Cooperative Banking Group, we are seeking to actively shape this transformation. Almost two thirds of our home experts have already qualified as modernisation advisors, supporting our customers in finding the right solutions for the future of their homes.

In a dynamic environment, our strategy of focusing on the two core business segments of *Bausparen* and Housing Financing has proved effective. We will pursue and refine this strategy, thus continuing our journey from a pure product supplier to a solution provider for building and living. We aim to grow our ability to change, foster sustainability and make our customers, partners and em-

ployees fans of what we do – their satisfaction and motivation are the driving force for our company's sustainable success.

In our Sustainability Report, we reflect on the past year and look ahead, describing what we have achieved so far and focusing on our next steps. We will be working together to achieve what we have planned and are committed to ensuring homes for the future – for everyone.

In hope and with best regards,

A handwritten signature in black ink, appearing to read 'Mike Kammann', written over a light blue background.

Mike Kammann
Chief Executive Officer,
Bausparkasse Schwäbisch Hall AG

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UN PRINCIPLES FOR RESPONSIBLE BANKING

Sustainable property financing concepts

Five years ago, the United Nations Environment Programme published the → [UN Principles for Responsible Banking](#) (UN PRB). We became a signatory in 2023 – the first *Bausparkasse* to do so. The Principles provide a framework enabling banks to focus consistently on sustainability in all their activities. We report on what we intend to achieve as a signatory and what has changed for us as a result.





This is a pioneering role for us – and for the UN as well because we are the first *Bausparkasse* it has worked with.

Wim Buesink, Head of Sustainability Management

THE IDEA BEHIND THE GUIDANCE DOCUMENT

The PRB Guidance Document is intended to support banks in aligning consistently with sustainability in all their activities. The six Principles are holistic in nature and include requirements relating to the environmental, social and economic dimensions of sustainability. They also serve as a set of control metrics and a compass for banks' strategic and operational transition towards sustainability. For example, the UN PRB require that signatories identify their business activities with the greatest impact on sustainability – both positive and negative. In the case of Schwäbisch Hall, this is property financing, the impact of which we now disclose in accordance with the UN Principles and for which we also define targets.

The PRB Guidance Document aims to motivate both individual banks and the financial sector as a whole to support and take serious measures to implement the United Nations international frameworks – notably the Sustainable Development Goals and the Paris Climate Agreement.



THE NEXT STEP TOWARDS GREATER SUSTAINABILITY?

We are a voluntary signatory to the UN PRB – alongside our own strategy and other voluntary commitments. In this way, the Schwäbisch Hall Group is sending a clear signal. We recognise our corporate responsibility for sustainability and want to make our contribution to achieving German, European and international sustainability goals. Our voluntary commitments correspond with the measures and targets contained in our “Ensuring sustainable homes” strategy, thus further underscoring our existing strategic ambitions. At the same time, we are complying with the sustainability guidelines of the German Cooperative Banking Group, whose sustainability targets are likewise aligned with the UN PRB. As the first *Bausparkasse* to become a signatory to the Principles, we are also a beacon for our industry.

WHAT WILL CHANGE AS A RESULT OF SIGNING UP TO THE PRINCIPLES?

Alignment with the Principles will help us to take a more focused and strategic approach in our action areas. In particular, we hope that the international framework will provide us with new impetus for our own activities. As the only signatory *Bausparkasse*, we also want to bring to the international arena our perspective as a solution provider for building and living. Our candidacy and participation in an international framework like this is a pioneering role for us – and it has been a new experience for the UN as well because it is the first time the organisation has had to deal with a *Bausparkasse*.

We aim to further increase our dialogue with our employees and external stakeholders. For example, in the interests of transparency, we will have to report on our progress for the first time next year. We will then be subject to external auditing at a later stage.

“The goal is to strengthen the strategic role of sustainability in the company’s culture and governance.

Wim Buesink, Head of Sustainability Management

THE SIX UN PRINCIPLES FOR RESPONSIBLE BANKING “CREATING THE FUTURE OF BANKING” – THE GOALS OF THE PRINCIPLES

 PRINCIPLE 1: Alignment	 PRINCIPLE 2: Impact and Target Setting	 PRINCIPLE 3: Clients and Customers
 PRINCIPLE 4: Stakeholders	 PRINCIPLE 5: Governance and Culture	 PRINCIPLE 6: Transparency and Accountability

WHAT’S NEXT?

We have already laid the foundations for implementing the Principles, for example with our → **sustainability strategy** (German only), which is already closely aligned with the Principles. At the same time, we must comply with new requirements and document that we have done so. The first step will be an impact analysis in 2024 which must specify how we aim to have a positive impact on the environment and society in the future. On this basis, we will then define targets. Managing this process is the task of Sustainability Management, working closely with all relevant units in preparing and implementing measures.

THE MODERNISATION SPECIALIST

Guidance for reversing climate change

The need for refurbishment and modernisation in existing housing stock is enormous – almost two thirds of all residential property is 45 years old or more. This is one of the keys to climate change reversal. At the same time, however, there is a lack of guidance concerning the energy-efficient refurbishment of owner-occupied homes. Jennifer Radke is a modernisation advisor at Schwäbisch Hall. She explains how she supports homeowners with their projects.



INTERVIEW

What does being a modernisation advisor mean to you?

It's becoming increasingly difficult to build new homes. For this reason, a growing number of buyers are turning to existing properties that need to be brought up to current standards in terms of their functional and energy performance. This is a big project for anyone. For those with no knowledge of refurbishment and modernisation, it's a great help to have a competent and reliable partner by their side. As a modernisation advisor, I liaise between my customers and the experts. I can provide individual advice about the property a customer wants to buy and put them in touch with the right tradespeople or energy experts in the area.

How exactly do you advise your customers?

That depends. There are some customers who already live in the property that they want to modernise or refurbish. I may recommend an energy consultant so that an expert is involved. We then look at the property together and agree on a recommendation for refurbishment. I also have customers who are in the

process of buying an older property. In this case, I provide advice based on statutory requirements and the energy performance certificate that the seller must provide, detailing the modernisation or refurbishment work specifically needed on this property. It is helpful for customers to have someone who has an overview of the situation, prepares a detailed plan and understands the specific individual steps.

Where is the most guidance needed?

At present, there are two issues which interest customers in particular: whether it's worth installing a solar system and all the aspects associated with replacing a heating system. The latter case continues to cause a great deal of confusion. Many people find it very difficult to form an objective opinion. My customers often don't know what is right for them and what the current regulations are. They also want to know whether any government funding might be available.



This is how our modernisation advisors help:

1. Property check-up: What is the current condition of the property?
2. Recommendations for sensible individual measures
3. Network of tradespeople and energy consultants

Online calculators and other digital tools support the advisor's work – an overview can be found → [here](#).

I get the impression that many customers are very grateful for the support and the fact that someone takes so much time to look at their individual projects.

Jennifer Radke is a home expert in the Schwäbisch Hall sales force and qualified as a certified modernisation advisor two years ago. She continues to expand her knowledge via webinars and seminars. Energy-efficient modernisation is already one aspect of the basic qualification at Schwäbisch Hall.

There's a good reason why we call it the subsidy jungle, and it's difficult to navigate. Of course, another big factor is the cost and how much needs to be invested.

What is your goal as a modernisation advisor?

My primary goal is to provide my customers with good advice. I want to give them a feeling of security and be available at any time to answer their questions. And, of course, it's my ambition to provide genuine support for their modernisation project. It's great to be able to give people the financial means to implement their projects.



CERTIFIED ADVICE

Since 2022, we at Schwäbisch Hall have cooperated with the Bundesverband Gebäudemodernisierung e.V. (Federal Association for Building Modernisation) to train employees as certified modernisation and subsidy advisors. This qualification consists of four modules. As well as having basic knowledge of building technology, the advisors provide guidance

through the subsidy jungle and focus their advice on customers' individual needs. We also offer the qualification to the cooperative banks via our subsidiary sht (Schwäbisch Hall Transformation). The first refresher courses are being held in 2024, enabling those who have already obtained certification to update their knowledge.

Facts and figures As of: 2023

THE ENERGY AND CO₂ REDUCTION POTENTIAL OF BUILDINGS



30%

of greenhouse gas emissions in Germany are produced by the building sector.



6.5 million

households have plans for energy-efficient refurbishment in the next five years.



60%

of all residential buildings in Germany are more than 45 years old and were constructed before the country's first Thermal Insulation Ordinance came into force in 1978.



74%

of the building stock is still heated by fossil energy.

WE PROVIDE GUIDANCE



1,800

certified modernisation advisors in the Schwäbisch Hall sales force



+ 1,600

more in the cooperative banks*

* As of: 31 December 2023

GERMANY'S ACT ON CORPORATE DUE DILIGENCE IN
SUPPLY CHAINS

Sustain- ability in our supply chains

Since 1 January 2023, we at Schwäbisch Hall have also been subject to the requirements of Germany's Act on Corporate Due Diligence in Supply Chains, known by the acronym LkSG. This legislation aims to improve the protection of human rights and the environment in global supply chains. It obliges us as a company to examine our supply chains more closely to identify any possible risks and to anchor due diligence in our processes.



The subject is not fundamentally new for Schwäbisch Hall. For more than ten years, we have defined sustainability requirements for our suppliers. Therefore, in implementing the LkSG, it is mainly a matter of building on existing procedures. For example, our → **whistleblowing system** (German only) has now been expanded to include a grievance mechanism in accordance with the LkSG. We have also published a policy statement and appointed a human rights officer and deputy. In addition, other risk management roles were established in the reporting year. When analysing our supply chains, we also look at group companies on which we exercise a decisive influence.

In accordance with the LkSG, we have conducted a risk analysis of our own business activities and of our direct suppliers. The specific analysis followed an abstract review of country, industry and procurement risks. Julian Trittenbach is responsible for sustainability in Procurement and explains: “Schwäbisch Hall mainly works with German suppliers and gives preference to regional providers as far as this is possible. We have known many of our suppliers for years and have an established process of regular dialogue. All of this has a positive effect.”

Examples of our product groups

IT services

Trades services

Canteen services

Electricity from
renewable sources

Mobility services

For us, the legislation is nothing new but an extension of what we are already doing. We have always procured from regional suppliers as far as possible and always look closely at where materials are sourced.

Julian Trittenbach, Manager in Procurement and Vendor Management



NEW TASKS FOR MANY ORGANISATIONAL UNITS

Implementing the requirements of the new legislation involved many of the company's organisational units – from Procurement to Legal and Compliance, Risk Controlling and Sustainability Management. In the future, our Procurement and Vendor Management will be responsible for conducting risk analyses of our direct suppliers. The EcoVadis platform has been used for this purpose since 2022. This unit will also conduct training and implement prevention measures within Procurement and at suppliers. Our Risk Controlling unit is responsible for conducting the equivalent risk analysis of our own business activities. Monitoring the effectiveness and appropriateness of risk management as required by the law is the task of the Human Rights function that is part of Legal and Compliance. To inform all our employees about developments in connection with the LkSG, we have expanded our binding compliance training to include the aspects of the LkSG and report on these matters via the company's intranet.

BETTER THANKS TO DIALOGUE WITH OTHERS

We maintain a regular dialogue with the companies of the DZ BANK Group, enabling us to define joint processes, share information and support each other in the event of any problems. For some time, Procurement and Sustainable Vendor Management have maintained a joint working group on sustainability in procurement. Its activities include developing training documents for Procurement employees. Recently we expanded our sustainability requirements for suppliers with the aim of creating common standards. The entire Group can use the EcoVadis platform. In addition, we are in dialogue with companies from other industries via a working group organised by the Bundesverband Materialwirtschaft, Einkauf und Logistik e.V. (Federal Association for Materials Management, Procurement and Logistics).

WHAT DOES THE HUMAN RIGHTS OFFICER ACTUALLY DO?

We monitor the risk management system.

Dirk Otterbach, Human Rights Officer,
and Claudia Littig, Deputy Human Rights Officer



“Specifically, this means using a risk analysis to examine whether and where in our supply chains human rights could be violated and certain environmental risks could occur. Depending on the risk situation, we then develop measures for minimising the risks and eliminating any violations.

Our role also includes reporting annually on our activities to the relevant authorities, implementing protective action and investigating any reported issues. We are pleased that, to date, we have not become aware of any breaches of human rights and labour practices within the meaning of the LkSG.”



Back in 2013, Bausparkasse Schwäbisch Hall and the companies of the DZ BANK Group had already defined joint sustainability requirements for their suppliers.

TEN YEARS IN THE GERMAN CEO ALLIANCE FOR CLIMATE
AND ECONOMY

Partners in the climate economy

Bausparkasse Schwäbisch Hall has been involved in the → [German CEO Alliance for Climate and Economy](#) for ten years. Together with other companies, we are seeking to contribute to the transformation of our economy – making it a climate economy. In an interview, Sabine Nallinger, Chair of the Alliance, looks back on ten years of collaboration.



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INTERVIEW

What do you expect from companies like us?

We particularly value the active collaboration of our member companies. In order to understand their business models and their industries, we need to acquire a lot of knowledge from them and share information. It is also very valuable to us if the CEOs work with us on our statements and appeals. This takes courage – something that we also welcome.

Over and above their work for the Alliance, we specifically expect the member companies to be climate neutral by 2045 at the latest and to have established a sustainable pathway for achieving this. This means describing measures and milestones that will be monitored and measured.

“It was very important to deliver this impulse. The reactions to the appeal showed us that it was urgently needed.” – Sabine Nallinger

The issues covered by the appeal are also being discussed by the Alliance and should be addressed by the individual companies as well. What should be the mission statement for the economy? What is still needed to turn the transformation into a business case? How can the government ensure greater predictability for the change processes that lie ahead?

More information can be found → [here](#) (German only).

How does Schwäbisch Hall contribute to the Alliance’s practical work?

It does so in many ways. First, we have established Core Groups in which Schwäbisch Hall works on issues together with other member companies, all of them contributing their specific expertise. Schwäbisch Hall is part of the Building and Transformation Finance groups to which it contributes very actively. The company brings its expertise to projects and issues relating to implementation and financing – the refurbishment of existing properties, new construction, serial construction, building data and the circular economy.



What is the German CEO Alliance for Climate and the Economy?

The non-profit German CEO Alliance for Climate and the Economy is made up of companies that are committed to leading the transformation of the economy in their respective core businesses – and are speaking with a strong voice. The Alliance supports them in their efforts, providing a joint platform to share their knowledge and experience.

The members are respected companies of considerable standing whose focus aligns with that of the Alliance. As members of the Alliance, they want to be a part of the solution and assume responsibility for society.

The Alliance sees itself as a builder of bridges between business and government and between business and society – for example, by engaging with Fridays for Future. It wants to create an environment of trust in which it can work to develop joint solutions to the challenges of the transformation.



“Transformation is the project of the century”: an appeal with an impact

In January 2024, the German CEO Alliance for Climate and Economy and more than 50 leading companies in Germany published an → [appeal](#) (German only) that drew a great deal of media attention and had a political impact.

I believe that we will need more such strong cross-sector alliances in the future. We need ambassadors to promote the transformation within the companies, to the general public and, above all, in the business and political arenas.

Sabine Nallinger, Chair of the German CEO Alliance for Climate and the Economy

In addition, the CEO of Schwäbisch Hall has been active in our highest governance body, the Board of Trustees, for many years. This was previously Reinhard Klein and now it is Mike Kammann. The Board of Trustees defines strategies and makes decisions. Here, too, Schwäbisch Hall has always contributed with a great deal of commitment.

Can you recall any highlights of your collaboration with us?

Together with Reinhard Klein, I attended many events and meetings with high-ranking politicians, including Germany's former Chancellor Angela Merkel. For us, it's important to have CEOs in the Alliance who not only contribute their expertise but are also willing to discuss climate protection in the political arena and take the lead on this issue. As the deputy chair of the Board of Trustees, the former Schwäbisch Hall CEO played a key role in developing our general strategy. We met regularly – I came to Schwäbisch Hall and he came to Berlin. He also advised us on the Alliance's financial strategy and took the initiative in producing position papers, including one about buildings. This had a great impact on our work. I'm pleased that we will be continuing this work with Mike Kammann in the future.

What will characterise the future collaboration between the Alliance and Schwäbisch Hall?

In the years ahead, the Alliance will concern itself in depth with the financing of the transformation. Among other things, it will be working at the political level and with the building sector which, like the transport sector, is a problem area in terms of the climate transformation. That is why we are seeking to continue delivering further impetus. To achieve this, we need our member companies from the construction and finance sectors – and specifically Bausparkasse Schwäbisch Hall.

AND WHAT DOES SCHWÄBISCH HALL SAY ABOUT THIS?

Mr. Kammann, why have we been involved in the German CEO Alliance for Climate and the Economy for the past ten years?

As a member of the German CEO Alliance for Climate and the Economy, we and many other companies are advocating for the climate transformation to be viewed as a real opportunity and to take the lead in this. To this end, we are seeking dialogue with political stakeholders, producing joint position papers to address specific issues. As members of the Alliance, we CEOs sit down at one table to speak directly with leading politicians. The discussions are often very interesting and benefit all participants. I am able to contribute the perspectives of our customers and of our company as a provider of property financing.



One highlight of the Alliance is its annual conference at which representatives of the member companies come together with many relevant stakeholders from the political arena, academia and society. In 2023, we co-organised the conference at the DZ BANK. The event was opened by our Management Board member Kristin Seyboth.

Profile Schwäbisch Hall at a glance

“To create and preserve sustainable homes” – this is our mission. As a member of the German Cooperative Banking Group, collective and responsible conduct is an integral part of our identity. Cooperation is the only way to build a more equitable future with a high quality of life where everyone can feel at home.

About us

Schwäbisch Hall is the largest German *Bausparkasse* and one of the leading providers of housing financing. Our team of around 6,800 people works closely with the cooperative banks to create and preserve homes for our 6.3 million customers.

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 700 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 31.2 per cent, some 6.3 million customers in Germany, 1.37 million customers in other countries and more than seven million contracts, we are the largest German *Bausparkasse*. In the 2023 reporting year, we concluded *Bauspar* contracts worth €31 billion and housing financing agreements for €13.4 billion.



Schwäbisch Hall aims to remain the market leader in *Bausparen* and, together with the cooperative banks, become the number one provider of housing financing. We see ourselves as a reliable partner, enabling our customers to fulfil their home ownership dreams. Working together with our subsidiaries, affiliates and the cooperative banks, we tailor end-to-end solutions within the building society ecosystem, thereby strengthening the German Cooperative Banking Group.

We have been headquartered in the southern German city of Schwäbisch Hall for 80 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 were also active outside Germany with locations in Budapest (Hungary), Bratislava (Slovakia) and Tianjin (China) in the reporting year.

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	3,603
Trainees and apprentices	241
Proportion of women in per cent	60.2
Average age in years	45.4
Proportion of part-time employees in per cent	37.7
Average length of service in years	18.6

THE SCHWÄBISCH HALL GROUP

OUR SUBSIDIARIES AND AFFILIATES



→ Schwäbisch Hall Kreditservice GmbH

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



→ VR Kreditservice GmbH

This wholly owned subsidiary of Schwäbisch Hall Kreditservice GmbH provides sustainable credit services to the cooperative banks.



→ Schwäbisch Hall Facility Management GmbH

This wholly owned subsidiary consolidates all facility management services such as security, cleaning, catering, event management and document services such as printing, dispatch and digitalisation, also offering them to some 400 other customers. It employs around 500 people.



→ Schwäbisch Hall Transformation GmbH

This subsidiary partners with regional banks to support them in the ecological and digital transformation of their core business and the development of new business areas.



→ BAUFINEX GmbH

Baufinex is a cooperative B2B marketplace providing digital brokerage solutions for building, living and financing, giving the associated brokers and cooperative banks direct access to more than 540 credit providers throughout Germany. Today, Baufinex is Germany's second largest B2B housing financing platform.



→ 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.



→ Impleco GmbH

Based in Berlin and Hamburg, Impleco offers personal digital services for the building society ecosystem. Around 800,000 consumers use the → [Wohnglück.de](https://wohnglueck.de) property platform each month. In addition, the cooperative banks offer regional solutions via PIA, the online personal property assistant. We have had an interest in Impleco since 2021.



→ Truuco

This company develops smart data affinity models and is integrating these with other sales data analyses from the German Cooperative Banking Group in a central application. In this way, it is fostering efficient and automated customer services, increasing earnings and optimising sales efficiency.

VALUES AND SUSTAINABILITY PHILOSOPHY

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. Global challenges can only be overcome by working together.

UNDERSTANDING OF SUSTAINABILITY AND APPROACH

Our understanding of sustainability is based on cooperative values. With our strategy 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 strategic 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.

We adopted and presented the → **sustainability strategy** in the reporting year.

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 corporate mission that we refined in 2024: To create and preserve sustainable homes.

Building on this, our vision describes our long-term objective of making Schwäbisch Hall the reliable partner that enables our customers to fulfil their home ownership dreams. Working with the cooperative banks, we tailor end-to-end solutions within the building society ecosystem, thereby strengthening the German Cooperative Banking Group.



We help people to make sustainable decisions relating to building and living. In this way, we are contributing jointly to climate protection and shaping our society.

Mike Kammann, 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 statutory 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 2023, we were the first *Bausparkasse* to become a signatory to the UN Principles for Responsible Banking. In this way, we have signalled a clear commitment to more sustainable and responsible banking.

OUR CONTRIBUTION

Our core business is financing residential buildings. For decades, we have been helping our customers 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 more 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 for achieving this.

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 – around 60 per cent of all residential buildings are more than 45 years old and were therefore constructed before the country's first Thermal Insulation Ordinance came into force. 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 6.3 million customers.

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 2024

We are systematically implementing other voluntary obligations and reviewing which sustainability standards we can apply. In 2024, we are preparing for our first report in accordance with the Corporate Sustainability Reporting Directive (CSRD) and are conducting an impact analysis aligned with the criteria of the → [UN Principles for Responsible Banking](#).



Corporate governance

Our values and sustainability strategy

We have anchored sustainability firmly in our processes and structures. To this end, we maintain a continuous dialogue with our stakeholders and are setting ourselves ambitious targets. Partnership, transparency and solidarity are the maxims for our conduct.

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 four-member Management Board steers the company and develops its strategic focus. Since 2022, women have made up 25 per cent of the Management Board. During the reporting year, the company's → [top management](#) included two female general executive managers, thus ensuring equal representation.

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. Details about the Supervisory Board can be found in our → [disclosure reports](#).

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 40 members, including three women. At least 75 per cent of the Advisory Board's members are primarily employed as management board members of cooperative banks. The remaining members may represent cooperative associations, central banks and other affiliated companies or customer groups.

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.

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](#).

Entitled “Ensuring sustainable homes”, our sustainability strategy is firmly linked to our corporate mission.

Wim Buesink, Head of Sustainability Management

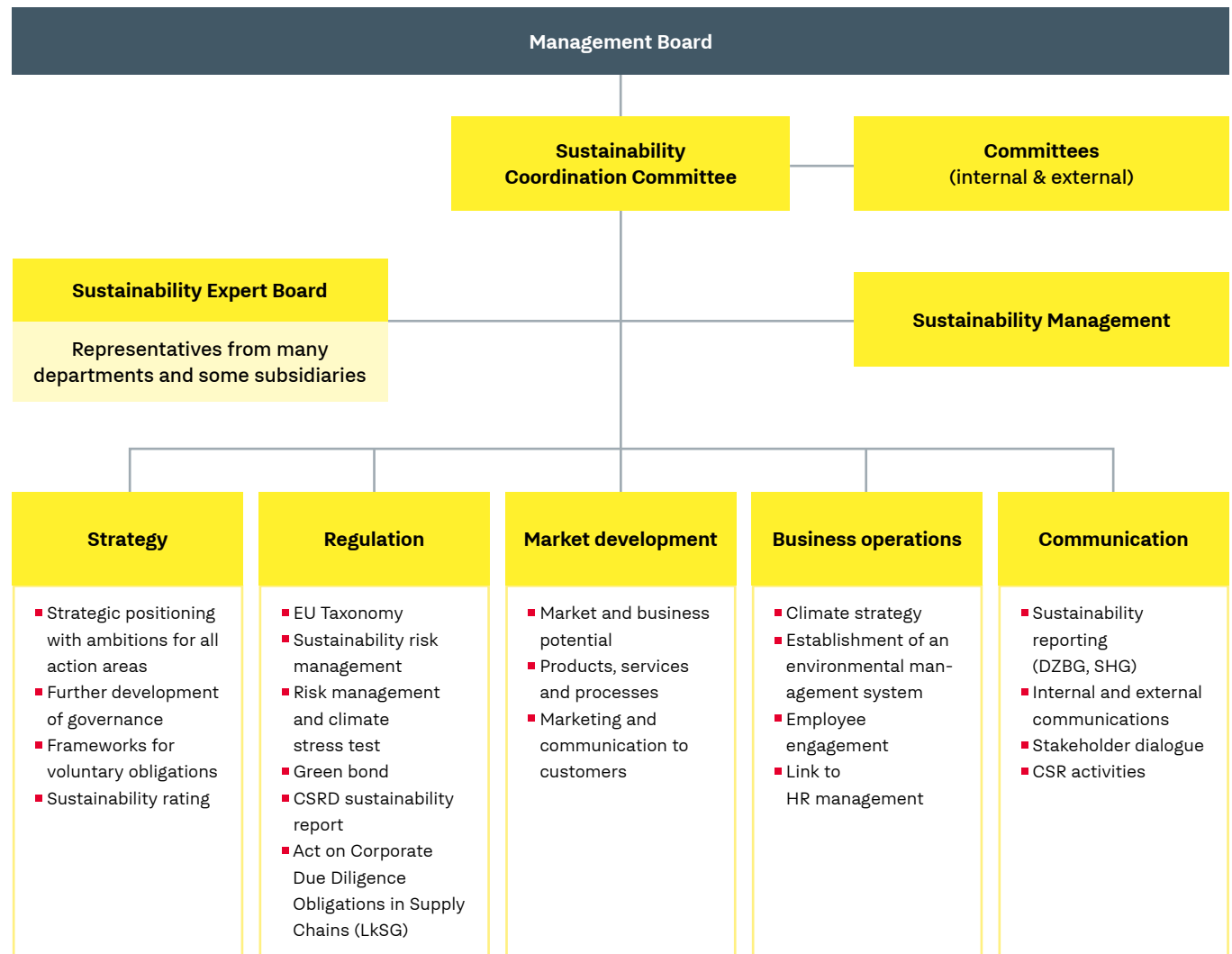
GOVERNANCE STRUCTURE

The Management Board is responsible for steering all sustainability activities and for determining their strategic direction. Moreover, sustainability issues regularly feature on the agenda of Supervisory Board meetings. Since 2023, the chief executive officers of all DZ BANK Group companies come together in a Group Sustainability Committee (GSC) to discuss all relevant sustainability issues. 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 Development and General Office units, as well as the Head of Sustainability Management. The Sustainability Coordination Committee reports directly to the Management Board.

Our Head of Sustainability Management 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. He also steers the cross-departmental Sustainability Expert Board, which serves as the forum for sharing information about sustainability issues within the Schwäbisch Hall Group. An Environment Officer coordinates activities relating to business ecology. Communication about sustainability is the responsibility of Corporate Communications in close consultation with Sustainability Management. 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





Schwäbisch Hall
Management Board:
Katharina Thomas,
Claudia Klug,
Mike Kammann,
Dr Mario Thaten,
Kristin Seyboth,
Peter Magel



Ensuring the visibility of sustainability throughout the company

To ensure that our sustainability strategy, activities and performance are visible to our employees, we publish regular reports on our intranet and in our employee magazine *#eins*. In the reporting year, we launched an in-house webinar about sustainability at Schwäbisch Hall and integrated the topic into our onboarding activities for new

employees. In 2023, employees were able to contribute actively to various campaigns such as a city clean-up and a joint tree-planting programme. Our talent development groups regularly initiate sustainability-related projects that deliver new impulses for the company.

In the reporting year, a Sales Force Sustainability Board was initiated, which meets four times a year. It is made up of representatives from our 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. One example of this is provided by the → **projects** in respect of Germany's Act on Corporate Due Diligence in Supply Chains (LkSG), which has been applied by the relevant Group companies since 1 January 2023.

IMPLEMENTATION AND MEASUREMENT OF SUCCESS

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 a quarterly or ad hoc evaluation of the status of the measures, together with assessments and recommendations for action for the individual strategic objectives and measures.

Sustainability strategy

The building sector is responsible for a large proportion of CO₂ emissions in Germany. The potential to achieve progress in the field of 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 sustainable 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

Private households account for the largest proportion – 72 per cent – of greenhouse gas emissions in the building sector. *

* As defined by Germany's Climate Change Act; does not include greenhouse gas emissions caused by district heating and electricity supplied to the building.

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	Our goal
Strategy	We are positioning ourselves as a market leader and playing a relevant role in helping private home owners to reverse climate change.
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 with a focus on CSR activities.

MATERIALITY ANALYSIS AND STAKEHOLDER ENGAGEMENT

In 2023, in preparation for sustainability reporting in accordance with the Corporate Sustainability Reporting Directive (CSRD), we conducted a preliminary investigation in which we also involved internal stakeholders in an initial materiality analysis. During this process, we defined the material and mandatory disclosure standards in accordance with the European Sustainability Reporting Standard (ESRS). In the course of planning implementation in 2024, we will extend the materiality analysis to external stakeholders as well. Our first CSRD report for 2024 will be published in 2025. The findings of an earlier materiality analysis were published in the → Sustainability Report 2020 (German only).

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 and regular events at *Bausparkasse* premises such as the *Schwäbisch Haller Gespräche* and *Politik-Talk im Turm*. In the reporting year, we participated in the Stuttgart Finance Summit and a round table discussion entitled “The New Normal – Implications and potential for *Bausparkassen*”. We also contribute to shaping political opinion in Germany and at the European level through our membership in industry associations such as the European Federation of Building Societies, the German Association of Private *Bausparkassen* and the National Association of German Cooperative Banks (BVR). Moreover, we have been active in the German CEO Alliance for Climate and the Economy for more than ten years – further information can be found in the section entitled → Commitment and in the → *interview with the Chair of the Alliance*.

Selected stakeholders such as the chief executive officers of co-operative 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 → 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 2023 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.



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.

MONEY LAUNDERING AND FRAUD PREVENTION

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 2023 reporting year.

To prevent economic crime and protect our reputation, we also operate a whistleblowing system (German only) that can be accessed from 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 2023 reporting year.

TAXES

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](#).



Since 2023: human rights officer and policy statement on respect for human rights

With the entry into force of Germany's Act on Corporate Due Diligence Obligations in Supply Chains (LkSG), we are required to identify the potential risk of violations of human rights and environmental law in our supply chains and our own business activities and to take any action necessary. That is why, in 2023, we published a → [policy statement](#) (German only) and appointed a → [human rights officer and deputy](#). Grievances as defined in the LkSG can be reported via our established → [whistleblowing system](#). In order to identify violations and risks at our suppliers and in our own business activities, we conducted → [risk analyses for the first time](#) in the reporting year. No risks were identified.

Products and services Building and living with Schwäbisch Hall



Our motivation is to create and preserve homes for our 6.3 million customers – both for present and future generations. That is why we support and partner with people on their path to safer and more sustainable building and living.

Our mission and services for building and living

Through *Bausparen* and housing financing, we are helping people to gradually build their assets and fulfil their dreams 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 some 3,150 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 thus 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 and grants for private housing construction.

We 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 7.7 m worldwide)

More than



contracts

Climate change reversal in residential buildings – our approach

Climate change is impacting all aspects of daily life, making the climate crisis one of the biggest challenges of our times. That is why we as a society all have to act responsibly.

Germany's building stock accounts for around 30 per cent of greenhouse gas emissions, making it a key contributor to the climate crisis. Housing is responsible for 72 per cent of these emissions and has repeatedly failed to meet the German government's climate targets. This is mainly attributable to the outdated state 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. Nevertheless, there is a clear goal. 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 sustainable new buildings and the energy-efficient refurbishment of privately owned housing stock, working with the cooperative banks to make a major 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

The heating systems in buildings are one of the main levers in climate change reversal. Around three quarters of existing residential buildings are still heated with fossil fuels like gas and oil.



Our contribution to climate-friendly building and living

We have a diverse portfolio and are able to offer our customers and partners many products and services for climate-friendly and sustainable building and living.

Our portfolio of products and services ranges from information about energy-efficient modernisation to holistic advice for banks on green finance. We also offer suitable financing options for energy-efficient refurbishment projects, new construction and home purchasing and provide advice about available government aid. We are enlarging this offering on a continuous basis. In 2024, we will continue to focus on our collaboration with energy consultants as well as on expanding our range of training options and supporting tools for our sales force.



Our portfolio (a selection; German only)

TOOLS FOR CUSTOMERS



→ **Mein Wegweiser** modernisation tool

An online self-service tool for accessing knowledge, planning modernisation projects, calculating individual modernisation loans and obtaining advice



→ **Modernisation loan calculator**

Calculates financing for energy-efficient refurbishment projects



→ **Modernisation check**

Provides a qualified estimate of a home's energy optimisation potential on the basis of individual inputs

ADVISORY TOOLS FOR OUR SALES PARTNERS



Förderlotse

Helps our advisors to identify appropriate and currently available funding for energy-efficient refurbishment projects, new construction and home purchasing



Wegweiser Wohnglück

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



SanierungsGuide

Enables banking advisors to provide an initial overview of potential energy-saving measures, costs and available aid for owner-occupied homes; we are also piloting the use of this tool by our sales force

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

GREEN FINANCE



Via our subsidiary → **sht for banks**

Developing sustainable objectives for cooperative banks; screening and assessing the building portfolio; training banking advisors as certified modernisation and subsidy advisors and sustainability advisors for corporate customers

EXAMPLES OF OUR INFORMATION OFFERING

→ **wohnglück.de**

Our real estate platform where we share our expertise as part of the Impleco network, providing useful information and services relating to building and living; the SanierungsGuide provides an overview of energy-saving measures, costs and available aid for owner-occupied homes

→ **Wohnglück customer magazine**

Offering many examples and practical tips

Advice pages on → www.schwaebisch-hall.de

Advice on all aspects of sustainable building and living

→ **Hausplaudern podcast**

Contributions from industry experts and guests

→ **Schwäbisch Hall newsletter**

Covering selected topics for customers

→ **Online media portal**

A wide range of content for media professionals

SUSTAINABILITY OF OUR CREDIT PORTFOLIO

We aim to make sustainability an integral part of our core business, taking account of environmental needs, social criteria and regulatory requirements. Most of our products are private home loans granted to our customers. That is why, since 2021, we have been examining how sustainable our loan portfolio is and how we can measure this. We use the following ESG indicators in this process: SDG impact, carbon footprint, green asset ratio and the physical and transition risks of our loan portfolio.

ESG RISKS

We consider ESG risks not as a separate risk type but, in combination with supervisory restrictions, as the drivers of the main conventional financial and non-financial risk types. Such risk drivers include economic, social and (geo)political events and conditions. Potentially material ESG risk factors have a particular impact on credit and operational risks. In the context of risk management, the focus is on climate risk, including both physical and transition risks, as well as on environmental risk. We use ESG data surveys to limit these risks and manage them successfully. For this purpose, we determine our sustainability KPIs using a top-down methodology and are continuously evolving our measurements to satisfy regulatory ESG requirements.

ESG INDICATORS

Since 2021, we have been reporting and recording top-down ESG indicators in order to measure our progress and performance in the three dimensions. We refined our ESG KPIs in the reporting year (see table below).

MEASURES FOR THE CREDIT PORTFOLIO

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.

Indicator	Description	Results 2023	Targets: New in 2023
SDG impact ¹	Proportion of property finance with a positive impact on the Sustainable Development Goals (SDGs)	41.5% (€23.9 bn)	We will increase the sustainability impact of the credit portfolio to 50% in order to achieve the SDGs by 2030.
CO ₂ footprint	CO ₂ emissions co-financed by our loans	1.54 million metric tons of CO ₂	We will reduce the carbon footprint of the credit portfolio by 4% per year by 2030.
EU Taxonomy ratio/ green asset ratio	Proportion of our real estate financing that makes a material contribution to the goals of the EU Taxonomy	20.9%	We will systematically stabilise the green asset ratio of the new business by 2030 .
Physical risks	Climate risks that have a large impact on collateral	2.71%	We limit and actively manage physical climate and environmental risks.
Transition risks	Risks caused by the transition to a climate-compatible economy	Approx. 28%	We will limit and actively manage transition and environmental risks.

¹ Our → [website](#) (German only) describes how we calculate our KPIs.

ENERGY CERTIFICATES FOR THE LENDING BUSINESS

In the reporting year, we prepared the assessment and processing of energy certificates in our lending business. When customers apply for a loan, they must provide an energy certificate containing information about the energy efficiency of the property they want to buy. We use this information in our ESG reporting and risk management activities. Energy certificates are also improving the database for future green covered bonds.

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.



SDGs = Sustainable Development Goals

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

SDG 7: Affordable and clean energy

SDG 8: Decent work and economic growth

SDG 9: Industry, innovation and infrastructure

SDG 11: Sustainable cities and communities

SDG 13: Climate action



Schwäbisch Hall is financing the transformation of the residential building sector – either for sustainable new builds or the energy-efficient refurbishment of existing buildings. This is the basis for our green covered bond.

Mike Kammann, Chief Executive Officer of Bausparkasse Schwäbisch Hall

GREEN COVERED BOND

In January 2024, following preparations in the reporting year, we placed our first green covered bond with a volume of €500 million. As well as the members of the German Cooperative Banking Group, investors in the bond include sustainability-aligned banks outside the Group and outside Germany. From the investors' perspective, the green covered bond offers two advantages: it helps them to decarbonise their own portfolio and achieve their environmental objectives. At the same time, a green covered bond from a *Bausparkasse* offers a high level of security because of its broad spread and the low risk associated with the cover assets.

As collateral for its green covered bonds, Bausparkasse Schwäbisch Hall already has "green" cover assets of more than €1.8 billion consisting of mortgage loans classified as sustainable in accordance with German and international standards. In line with our green bond framework, the proceeds from the green covered bond are used to refinance loans granted for constructing, purchasing or renovating energy-efficient residential buildings. This framework defines properties as green if they comply as a minimum with the requirements of Germany's 2009 Energy Saving Ordinance (EnEV) – these properties represent the top-performing 15 per cent of the country's housing stock. Schwäbisch Hall only considers buildings constructed in or since 2012. Our green covered bond therefore underscores the ambitions of our sustainability strategy: we aim to reduce the carbon footprint of the loan portfolio by four per cent per year by 2030. At the same time, green bonds will make us more resilient in the face of the market.

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, conducting around 2,000 interviews each year as well as measuring customer experience in a continuous process at a total of ten contact points. These two routes generated more than 27,000 feedback inputs in 2023. We use these responses to calculate our Net Promoter Score (NPS), which is one factor in our employees' performance-based remuneration.

Alongside business-to-customer (B2C) customer satisfaction surveys, we conduct regular surveys of our sales organisation (partner cooperative banks and our own sales force). Most recently in 2023, we asked the CEOs and executives of our partner cooperative banks to assess their cooperation with us. With an average score of 2.4 (on a scale of 1 to 5), an improvement of 0.1 points was achieved compared with the last assessment.



Fairest housing finance provider



Best Bausparkasse (2023)
Winner for the ninth time



Most sustainable with
the rating “very good” among
167 financial services companies

Business ecology: Sustainability in our business operations

The way we operate impacts others – environmentally, economically and socially. To ensure that we have homes in the future, we make careful and responsible use of our resources, optimise our business activities on a continuous basis and set ambitious goals for our company.

Climate and energy

We have the responsibility of making our business operations as sustainable and resource-friendly as possible. Climate and environmental protection therefore 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: Germany on plus 1.7 degrees

Germany today is on average 1.7 degrees Celsius warmer than it was in 1881. It has therefore warmed faster than the rest of the world where the average temperature increase is 1.2 degrees. The pace of global warming is accelerating. Once it reaches 1.5 degrees, climate risks and their impact increase at dramatic speed. That is why there is a need to act now. → Source: German Federal Environment Agency

CLIMATE STRATEGY IN LINE WITH THE 1.5 DEGREE GOAL

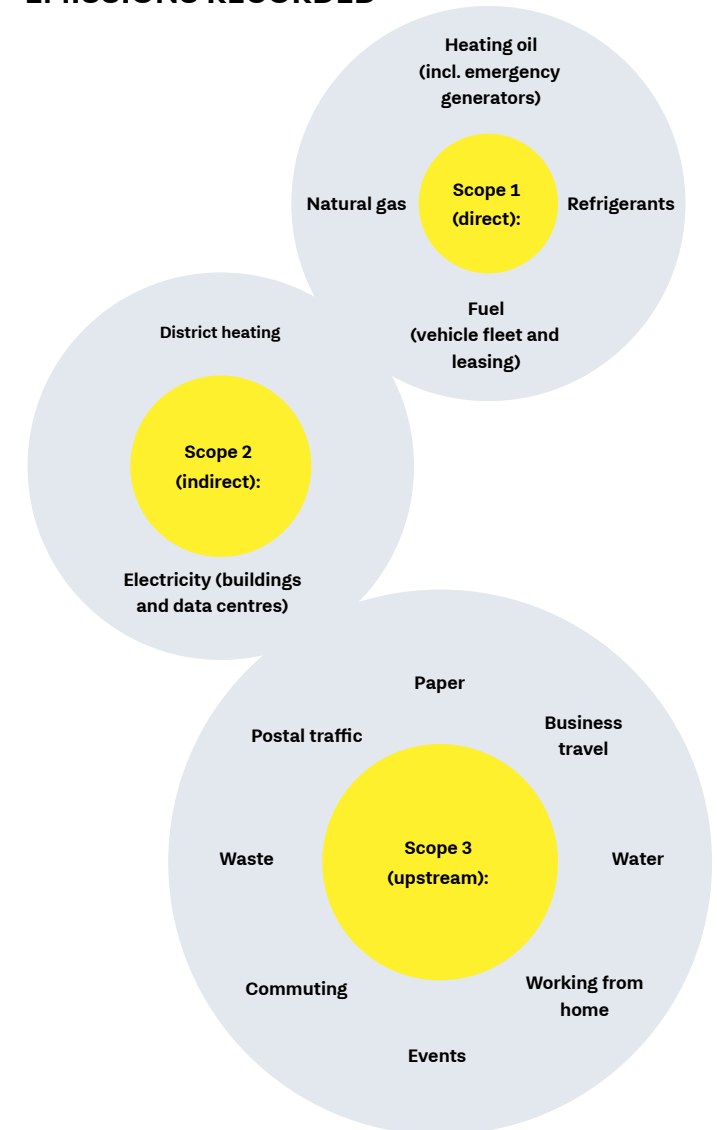
In the 2022 reporting year, we continued to refine our climate strategy for our business activities. Our aim is to move towards the 1.5 degree goal and, at the same time, to meet the German government's target of becoming climate neutral by 2045. The DZ BANK Group has committed to being climate neutral 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). Since 2021, we have expanded our Scope 3 reporting to include the emissions from commuting, postal traffic, events and working from home. In order to achieve our goals by 2043, we are deploying measures in line 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



Our climate pathway: we aim to make the Schwäbisch Hall Group climate neutral by 2043.



We use our direct and indirect CO₂ emissions to calculate the CO₂ intensity, i.e. our emissions per full-time equivalent (FTE). In 2023, we saw a reduction per FTE from 1,338 kilograms (2022) to 1,198 kilograms (2023). This was mainly due to reductions in the use of district heating and paper, a decline in postal traffic and

lower refrigerant losses. Despite the higher headcount and the increase in business travel and emissions caused by commuting, we thus succeeded in reducing our CO₂ emissions. Further information can be found in our → [KPI table](#).

SELECTED MEASURES TO REDUCE OUR EMISSIONS

Energy-saving measures (electricity, heating)
100% electricity from renewable sources
Waste heat from municipal utility companies
Lighting replaced with LEDs
Reductions through technical and construction measures (e.g. modification of part of a building using energy-saving building technology and environmentally friendly construction materials)
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 to have 0 g CO ₂ emissions by 2030
Fewer commuters due to more working from home
Less air travel due to more virtual meetings

OUR GREENHOUSE GAS EMISSIONS AS CO₂ EQUIVALENTS (METRIC TONS)

Year	2023 ¹	2022 ²	2021
Scope 1 emissions	679.10	1,024.93	389.06
Scope 2 emissions	247.88	322.53	459.96
Scope 3 emissions	2,679.28	2,596.99	4,117.09
Total	3,606.26	3,944.24	4,966.11

¹ From 2022, the carbon footprint of leased vehicles will be assigned to Scope 1 compared with Scope 3 in 2021 and earlier years.
² In 2022, there were increased and unavoidable losses of refrigerants.



Fox fact
Scope 1, 2 and 3 emissions are converted into CO₂ equivalents. This makes it easier to compare the effects of the different greenhouse gases and ensures a uniform reference parameter.



In our banking operations, we are committed to making careful use of resources and reducing our consumption wherever possible.

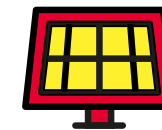
ENERGY CONSUMPTION AND ENVIRONMENTAL MANAGEMENT SYSTEM

In the 2023 reporting year, we reduced our electricity consumption by 7.2 per cent year on year to 8,402,283 kilowatt hours. Compared with 2022, energy-saving measures enabled us to cut our district heating consumption by a substantial 23.2 per cent to 4,958,775 kilowatt hours. Our consumption of gas and heating oil (including consumption for emergency power generation) declined by more than half – 52.8 per cent – to 79,035 kilowatt hours compared with 2022 because no emergency heating was required.

One focus of our future 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.

Since 2020, we have extensively modernised one of the older buildings on our campus. Using energy-saving building technology and environmentally friendly construction materials, new rooms have been created for units that work on a project basis. The *Bausparkasse* installed its first rooftop photovoltaic system with an output of 45 kilowatt peak. This was designed solely for our captive use and came into operation in the spring of 2024 – at the same time as employees moved into the building.



45 kWp

is the output of the first photovoltaic system installed on a roof at our campus. This is equivalent to the annual consumption of ten single-family homes. Further systems are to be installed.

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, electricity from renewable sources 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 the reporting year, we therefore defined responsibilities for monitoring our risk management and established a grievance mechanism that allows internal and external stakeholders to contact us in confidence to report information and violations relating to human rights and environmental obligations. We also appointed a human rights officer and deputy. Moreover, since 1 January 2024, all employees have been required to complete a mandatory e-learning course on human rights.

In 2023, we conducted a first risk analysis of our own business activities to identify whether any human rights or environment-related violations occurred there. On the basis of the findings, we then formulated our human rights strategy and published a policy statement.

In 2022, we introduced the EcoVadis sustainability rating tool which will help us to satisfy the requirements of the LkSG. In the future, external experts will use this tool to assess our suppliers' sustainability activities. We require our suppliers to comply with minimum standards in accordance with the → [Sustainability criteria 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, working closely with our partners in the DZ BANK Group to implement them. For example, in 2023, we jointly developed training documents for the entire Group on the subject of sustainability in procurement. These are being implemented in 2024.

In addition to external assurance, we 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 and 70 per cent of the food products we purchase come from the area around Schwäbisch Hall. Our company canteen facilities received organic certification in 2022 and we are expanding its offering on a continuous basis. Employees are also able to purchase leftover food at reduced prices to avoid food waste.

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 planted 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 *MEIN KONTO* online service portal 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 in March 2023. In 2024, we are financing a further 10,000 trees for damaged forests, thus supporting the *Morgen kann kommen* (Tomorrow can come) climate initiative of the National Association of German Cooperative Banks (BVR).



We support the spring cleaning event in Schwäbisch Hall. In 2023, a team of employees participated for the first time in the annual spring cleaning in our company's home town of Schwäbisch Hall, collecting rubbish around our campus. We again joined the event in 2024.

Employees: We at Schwäbisch Hall

#weareschwaebischhall: We seek to provide our employees with a working environment in which everyone treats each other with respect and 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 professional 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.

In a dynamic labour market, recruiting and retaining qualified employees is a critical factor in a company's success. With our new human resources management strategy, we aim to make Schwäbisch Hall more attractive as an employer and offer contemporary solutions in a changed working world. At the end of the reporting year, we created the strategic basis for this and defined four action areas with objectives. We have been gradually implementing measures since the start of 2024. The elements of the new human resources management strategy include improving employee performance reviews and salary components, increasing transparency in respect of development and career opportunities and refining the company's leadership culture. Moreover, we are looking at issues such as part-time working for supervisors, job sharing and the onboarding of colleagues who speak no German. We are also exploring how we can foster diversity within the company (see also the section entitled [→ Diversity and equal opportunity](#)). The human resources management strategy is closely aligned with our sustainability strategy.

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 2023 employer survey, the Top Employers Institute honoured us as one of Germany's top ten employers. Schwäbisch Hall again topped the ranking of financial service providers. In the future, we aim to maintain this status as a top employer. We provide insights into our working environment in our social media activities on platforms such as [→ LinkedIn](#) and [→ Instagram](#).

In our [→ Culture Beat management guidelines](#), 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. The management guidelines were developed in a collaborative process that also involved the company's employees.

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 3,603 people in our back office, 2,969 (82 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](#).

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. The 2022 → [workandfamily](#) audit of our family-friendly HR policy resulted in certification that is valid for several years and earned us 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 for employees' children. Young parents have the option of taking parental leave of four years instead of the statutory three years. In the 2023 reporting year, 193 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 2023 reporting year, 15 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 40 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 the framework for 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, impulses and communication formats to support our executives. We are also experimenting with hybrid forms of collaboration in office concepts such as free seating, which means that employees are not assigned a permanent desk. In the future, this concept will be deployed in a modernised part of the campus that became ready for use in the first half of 2024. We are also piloting mobile working – also from other EU countries – to create additional scope for our employees to balance their individual needs.

Other flexible working options include unpaid leave, special volunteering leave, educational leave and additional special leave without 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 2023 reporting year, the average number of training days per back office employee was 2.1.



“Let’s talk about” training programme

Our “Let’s talk about” training programme provides our employees and executives with impulses on a broad range of topics from preventive healthcare and simplicity methods to tips for online meetings and error culture. The online format and external coaches have met with great interest, making this programme an important building block in the further development of our corporate culture.

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 → [Responsible employer](#)). 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 2023, we employed a total of 241 (2022: 229) 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,



100

young people start their working lives with us.

The Schwäbisch Hall Group offers



6

apprenticeship routes and 6 degree programmes.

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. The company's top management currently includes two other women who serve as general executive managers, thus ensuring equal representation. Information about the number of women in leadership positions can be found in the section entitled → [Our KPIs](#). As one element of promoting dialogue among colleagues, we established a women's network two years ago that has been very well received. Regular breakfast meetings are held between members of the Management Board and employees who are parents so that they can articulate their needs. We performed an internal analysis of the current status of diversity in the reporting year and defined objectives at the start of 2024.

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 framework 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 2023 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](#)).

Disabled employees accounted for 4.6 per cent of the workforce across the Schwäbisch Hall Group. In 2023, an inclusion agreement was adopted by the DZ BANK Group which includes Schwäbisch Hall. This agreement reinforces an integrative corporate culture and aims not only to strengthen the position of affected employees but also to contribute to a positive shift towards greater tolerance, empathy and diversity.



The sooner people come to us, the better we can help them. I see the role of our representative body as helping people through a difficult period of their working lives.

Wolfgang Tegtmeier has been an active member of the representative body for people with disabilities at the Schwäbisch Hall Group for 15 years and an employee spokesman for six years. In this role, he represents the interests of people who experience physical and psychological problems in the workplace. For example, he establishes contact with the relevant authorities and seeks to find the best solutions for his affected colleagues.

Our offering for the sales force

Our sales force of some 3,150 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 hot-line 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 constantly to increase the number of women in acquisition and leadership roles.

In 2023, we established a national Diversity Board in which employees and executives from our sales force and back office teams work together to strengthen diversity in our sales organisation. There is a special focus on increasing the number of women in the sales force and attracting lateral entrants from other sectors with different cultural experiences and backgrounds to foster diversity, creativity and a positive corporate culture – thus enabling us to respond better to our customers' various needs.



Schwäbisch Hall modernisation advisors

Another focus is on training in respect of modernisation and the energy-efficient refurbishment of residential properties. We are cooperating with the Bundesverband Gebäudemodernisierung e.V. (Federal Association for Building Modernisation) to provide training for our sales force. By the end of 2023, 1,800 sales force employees had qualified as certified modernisation advisors. Around 1,100 of them had completed the full training programme to become certified modernisation and subsidy advisors.

In 2024, we expanded the programme to include advanced seminars that we offer regionally and which help our modernisation and subsidy advisors to integrate and implement their knowledge in their day-to-day sales activities. In addition, we offer update seminars to enable employees to keep their knowledge current. You can read more in the → [interview](#) with modernisation advisor Jennifer Radke.

Modernisation/renovation training programme

MODULE 1 Modernisation advisor

MODULE 2 Public subsidies

MODULE 3 Providing advice

MODULE 4 Implementing modernisation advice in a sales setting

Commitment Helping others

Our economic success is linked to our social responsibility. At our Schwäbisch Hall location in particular, we support social and cultural activities and encourage local commitment with a special focus on young people. We also 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 projects relating to 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 → **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. In the reporting year, for example, we held a → **round table discussion about sufficiency policies in the building industry** involving representatives from government, industry associations and academia. The participants discussed obstacles and opportunities on the basis of practical examples. The foundation's capital totals €12.2 million.

In the 2023 reporting year, we made donations of around €600,000 and contributed to the non-profit facilities and initiatives described on the following page.



Visit by the *bauen-wohnen-leben* foundation to urban development projects in the Ruhr region

OUR SOCIAL COMMITMENT AT A GLANCE



The Schwäbisch Hall → **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. 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. 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.



Start-up founder Samuel Keitel delivered the 2024 speech to young people organised by the Schwäbisch Hall *Bürgerstiftung*.



For many years, we have been donating 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.

We support → **Off Road Kids** (German only), an organisation that has been helping street children and homeless young people throughout Germany for 30 years. In the 2023 reporting year, we donated €50,000 to the organisation.



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.



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

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 2023 reporting year, 61 employees took advantage of this offering. To raise our employees' awareness for these activities and encourage their participation, we report on our intranet and in our employee magazine *#eins* about the volunteering activities of our employees. On the following page, we present two such projects.

I joined the volunteer fire brigade because I like helping other people. I also enjoy the camaraderie and team spirit. In addition, I've always been fascinated by the technical equipment.

Patrick Bauer, system engineer



A volunteer fire fighter

The volunteer fire brigade relies on people who give their free time. That is why we are proud of and support our colleague Patrick Bauer and other employees who are members of the Schwäbisch Hall fire brigade.

I'm really happy to be able to help people. Seeing the happy faces of children who have been given a new toy and experiencing the gratitude of adults – that's what motivates me to keep going.

Birgit Krüger, IT manager



Support for refugees and asylum seekers

The number of refugees is at its highest level since the Second World War. Since 2015, our employee Birgit Krüger has volunteered for Freundeskreis Asyl e.V. She is the main contact for the clothing bank and helps refugees with their integration.

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.

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.



The only way to reverse climate change is by working together. As a member of the German CEO Alliance for Climate and Economy, Schwäbisch Hall is helping to shape the transformation and is working with others to develop the necessary framework.

Mike Kammann, Chief Executive Officer
of Bausparkasse Schwäbisch Hall AG



Commitment to the German CEO Alliance for Climate and Economy

We have been a member of the → [German CEO Alliance for Climate and Economy](#) since 2013 – making it ten years in the reporting year. This organisation works towards achieving European and German climate targets

and ensuring the sustainable use of natural resources. Our CEO Mike Kammann will become a member of the Board of Trustees in 2024. Click → [here](#) to read about our commitment over the past ten years and the future shape of our collaboration.

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
Cooperative Banks
(BVR), Berlin



→ United Nations Environment
Programme Finance Initiative
(UNEP FI), Geneva



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



→ 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:**

Our KPIs

We continuously assess the progress of our sustainability activities, reporting our KPIs and deriving 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 2023

GRI 2-7 Employees

Year	2023	2022	2021
Total employees	3,603	3,610	3,527
Permanent	3,273	3,273	3,217
Temporary	89	108	89
Trainees and apprentices	241	229	221
Permanent employees	3,273	3,273	3,217
Female	1,970	1,983	1,949
Male	1,303	1,290	1,268
Part-time employees (permanent)	1,235	1,217	1,201
Female	1,111	1,088	1,077
Male	124	129	124

NUMBER OF INDEPENDENT SALES FORCE ADVISORS OF THE SCHWÄBISCH HALL GROUP IN GERMANY

GRI 2-8 Workers who are not employees

Year	2023		2022		2021	
Gender	f	m	f	m	f	m
Independent sales force advisors	607 (19.3%)	2,540 (80.7%)	607 (19.3%)	2,542 (80.7%)	604 (19.1%)	2,551 (80.2%)
Total	3,147		3,149		3,155	

FINANCIAL KPIS

GRI 201-1 Direct economic value generated and distributed

	2023	2022	2021	Change, absolute ¹	Change, % ¹
Net interest income	550	744	581	- 194	- 26.1
Interest income	1,434	1,303	1,401	131	10.1
Interest expenses	- 893	- 564	- 829	- 329	- 58.3
Income from investments in joint ventures using the equity method	9	5	9	4	80.0
Loss allowances	- 18	- 16	- 14	- 2	- 12.5
Net fee and commission income	- 13	11	12	- 24	> - 100
Fee and commission income	100	132	120	- 32	- 24.2
Fee and commission expenses	- 113	- 121	- 108	8	6.6
Gains and losses on investments	0	- 90	22	90	100
Other gains or losses on valuation of financial instruments	1	3	0	- 2	- 66.7
Gains or losses on derecognition of financial assets measured at amortised cost	- 2	3	2	- 5	> - 100
Administrative expenses	- 536	- 528	- 515	- 8	- 1.5
of which personnel expenses	- 283	- 274	- 232	- 9	- 3.3
of which other administrative expenses	- 195	- 191	- 214	- 4	- 2.1
of which depreciation/amortisation	- 58	- 63	- 69	5	7.9
Other net operating income	38	16	42	22	> 100
Profit/loss before taxes	20	143	130	- 123	- 86.0
Income taxes	14	- 53	- 40	67	> 100
Net profit	34	90	90	- 56	- 62.2

¹ 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	2023	2022	2021
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	2023	2022	2021
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	2023	2022	2021
Number of complaints ¹	103	112	151
of which upheld	9	15	18

¹ 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	2023	2022	2021
Total	421	497	952
Per employee ¹	0.139	0.168	0.33

¹ Schwäbisch Hall location, based on full-time equivalents

ENERGY CONSUMPTION BY SCHWÄBISCH HALL (CAMPUS) (KWH)

GRI 302-1 Energy consumption within the organization

Year	2023	2022	2021	Change, %
Electricity				
Certified green electricity	8,402,283	9,056,868	9,302,429	– 7.2%
Electricity per employee ¹	2,791	3,072	3,218	– 9.1%
Heat (kWh)				
Heating energy (district heating)	4,958,775	6,453,118	9,194,830	– 23.2%
Heating generated on-site (gas and heating oil) ²	39,835	110,519	116,035	– 77.71%
Heating energy consumption per employee ¹	1,661	2,226	3,352	– 25.4%

¹ Schwäbisch Hall location, based on full-time equivalents

² Excluding consumption for emergency power generators

ENERGY INTENSITY OF SCHWÄBISCH HALL (CAMPUS) (KWH)

GRI 302-3 Energy intensity

Year	2023	2022	2021
Total energy consumption (electricity, heat, district heating)	13,400,893	15,620,505	18,992,990
Number of employees as full-time equivalents	3,010	2,948	2,891
Energy intensity per employee	4,452	5,299	6,570

WATER WITHDRAWAL, EFFLUENT GENERATION AND WATER CONSUMPTION BY SCHWÄBISCH HALL (M³)

GRI 303-3 Water withdrawal, 303-4 Water discharge, 303-5 Water consumption

Year	2023	2022	2021
Water withdrawal			
Total water withdrawal	35,286	33,308	31,814
Specific water withdrawal (per employee) ¹	11.72	11.30	11.00
Effluent			
Total effluent	26,977	23,997	23,209
Specific effluent (per employee) ¹	8.96	8.14	8.02
Water consumption			
Total water consumption	8,309	9,311	8,605
Specific water consumption (per employee) ¹	2.76	3.16	2.98

¹ 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, 305-3 Other indirect greenhouse gas emissions

Year	2023	2022	2021
Scope 1 emissions	679.10	1,024.93	389.06
Scope 2 emissions	247.88	322.53	459.96
Scope 3 emissions	2,679.88	2,596.99	4,117.09
Total	3,606.26	3,944.45	4,966.11

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

GRI 305-4 GHG emissions intensity

Year	2023	2022	2021
Direct and indirect greenhouse gas emissions (Scope 1, 2 and 3)	3,606,262	3,944,450	4,966,110
Intensity of GHG emissions (t CO ₂ e/number of employees) ¹	1,198.09	1,338.01	1,717.78

¹ Schwäbisch Hall location, based on full-time equivalents

GENERATION OF WASTE BY SCHWÄBISCH HALL (METRIC TONS) GRI 306-3 Waste generated

Year	2023	2022	2021
Residual waste/domestic waste	155.34	140.44	123.01
Data protection documents	182.24	208.10	222.86
Glass	38.7	38.70	33.60
Plastic/packaging	5.55	5.85	5.85
Commercial waste	32.73	29.23	78.29
Paper	39.61	36.90	27.44
Electronic waste	11.38	4.61	5.27
Hazardous waste	0.61	1.15	0.30
Lamps	3.31	0.47	0.01
Total	469.47	465.45	496.63
Waste per employee ¹	0.16	0.16	0.17

¹ Schwäbisch Hall location, based on full-time equivalents

ORDER VOLUMES TO SERVICE PROVIDERS AND SUPPLIERS IN THE REGION¹

GRI 204-1 Proportion of spending on local suppliers

Year	2023	2022	2021
Order value	30	17.05	13.2 ²

¹ Orders for tradespeople, IT services, canteen services, carbon-neutral electricity, mobility services and printed products in € million (net); based on postcodes within a 50 km radius of our campus

² The large change (2021 to 2022) 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	2023	2022	2021
Sabbaticals	15	6	10
Part-time ratio	37.7%	37.2%	37.3%

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

GRI 403-9 Work-related injuries

Year	2023	2022	2021
Number (accidents caused by tripping, falling and impact)	9	11	17
Severe work-related injuries	0	0	0
Incidence rate	0.06	0.05	0.06

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

GRI 403-10 Work-related ill health

Year	2023	2022	2021
Days per employee	15.5	17.8	14.0
Sickness rate (incl. long-term sickness)	6.6	7.1	5.6

TRAINING AT THE SCHWÄBISCH HALL GROUP

GRI 404-1 Average hours of training per year per employee¹

Year	2023	2022	2021
Training days per employee – back office	2.1	1.3	1.8
Training days per employee – sales force	5.1	3.8	4.1

¹ In days; this information was added in 2023 – the values from earlier reports are also expressed in days.

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	2023	2022	2021
Total	3,273	3,273	3,217
Male	1,303	1,290	1,268
Female	1,970	1,983	1,949
By gender and age			
Below 30	403	402	391
Male	166	157	148
Female	237	245	243
30–49	1,427	1,397	1,342
Male	546	534	516
Female	881	863	826
50 and older	1,443	1,474	1,484
Male	591	599	604
Female	852	875	880
Average age (years)	45.4	45.5	45.7
Average length of service (years)	18.6	18.9	19.3
Fluctuation (%)	5.1	5.1	5.8

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

GRI 405-1 Diversity of governance bodies and employees

Year	2023	2022	2021
Executive level F1	16.7	13.6	15.8
Executive level F2	15.2	17.1	18.2
Executive level F3	34.4	34.5	35.1
Total	30.6	31.3	31.7

INCIDENTS OF DISCRIMINATION GRI 406-1 Incidents of discrimination and corrective actions taken

Year	2023	2022	2021
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	2023	2022	2021
Number of employees in back office	3,603	3,610	3,527
Number of employees covered by collective bargaining agreements	2,969	2,992	2,946
Coverage (%)	82	83	84

GRI Index

Statement of use	Bausparkasse Schwäbisch Hall AG has reported for the period from 1 January 2023 to 31 December 2023 in accordance with the GRI Standards.		
GRI 1 used	GRI 1: Foundation 2021		
Applicable GRI Sector Standard(s)	–		
	GRI Standards	Pages	Omission/comment
GRI 2: GENERAL DISCLOSURES 2021			
THE ORGANIZATION AND ITS REPORTING PRACTICES	GRI 2-1: Organizational details	18	
	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, Truuco 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 include the company's independent sales 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 at the campus 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 2023 (1 January to 31 December). Schwäbisch Hall has also included selected events of particular relevance that occurred before the reporting date of 30 April 2024.</p> <p>The 2023 Sustainability Report of Bausparkasse Schwäbisch Hall was published in June 2024. The next Sustainability Report will be published in 2025.</p> <p>Contact point: Wim Buesink, Head of Sustainability Management 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		The values relating to GRI 404-1 Average hours of training per year per employee are expressed in days. This information was added in the reporting year, also retroactively for 2021 and 2022.
	GRI 2-5: External assurance		The Sustainability Report 2023 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	18	
	GRI 2-7: Employees	18, 61	
	GRI 2-8: Workers who are not employees	18, 61	
GOVERNANCE	GRI 2-9: Governance structure and composition	24	
	GRI 2-10: Nomination and selection of the highest governance body	24	
	GRI 2-11: Chair of the highest governance body	24	
	GRI 2-12: Role of the highest governance body in overseeing the management of impacts	24	
	GRI 2-13: Delegation of responsibility for managing impacts	24	
	GRI 2-14: Role of the highest governance body in sustainability reporting	24	
	GRI 2-15: Conflicts of interest	28	
	GRI 2-16: Communication of critical concerns	24	
	GRI 2-17: Collective knowledge of the highest governance body	24	
	GRI 2-18: Evaluation of the performance of the highest governance body		Individual reports on this matter are contained in the → Disclosure Report (German only) of the Schwäbisch Hall Group.
	GRI 2-19: Remuneration policies	47	
	GRI 2-20: Process to determine remuneration	23, 47	
	GRI 2-21: Annual total compensation ratio	23, 47	
STRATEGIES, POLICIES AND PRACTICES	GRI 2-22: Statement on sustainable development strategy	26, 27	
	GRI 2-23: Policy commitments	27, 28, 29	
	GRI 2-24: Embedding policy commitments	24, 29	
	GRI 2-25: Processes to remediate negative impacts	29	
	GRI 2-26: Mechanisms for seeking advice and raising concerns	29	
	GRI 2-27: Compliance with laws and regulations	28, 29	
	GRI 2-28: Membership associations	59	

	GRI Standards	Pages	Omission/comment
STAKEHOLDER ENGAGEMENT	GRI 2-29: Approach to stakeholder engagement	27	
	GRI 2-30: Collective bargaining agreements	47, 65	
GRI 3-2: MATERIAL TOPICS 2021			
	GRI 3-1: Process to determine material topics	27	
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	201-2: Financial implications and other risks and opportunities due to climate change	35	
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	GRI 3-3: Management approach	54	
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	GRI 204: PROCUREMENT PRACTICES 2016		
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	204-1: Proportion of spending on local suppliers	64	
	GRI 205: ANTI-CORRUPTION 2016		
	GRI 3-3: Management approach	29	
	205-1: Operations assessed for risks related to corruption	62	
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	GRI Standards	Pages	Omission/comment
GRI 200: ECONOMIC TOPICS	GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016		
	GRI 3-3: Management approach	28	
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	GRI 207: TAX 2019		
	GRI 3-3: Management approach	29	
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	GRI Standards	Pages	Omission/comment
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Regina Sofia Wagner and Kathrin Milich

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Wim Buesink

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