Until an electronic information system was introduced in 1972, records at SCHUFA were typewritten on index cards with additions made by hand. Thanks to a sophisticated system, enquiries by contractual partners could be answered within four minutes. Now, in the age of online retail and mobile financial services, SCHUFA responds to enquiries in a matter of milliseconds – 460,000 times a day!
Dear readers,

When we started work on this issue of Enabler, we lived in a different world. In no time at all, however, the SARS-CoV-2 virus eclipsed every other issue. It is impossible to foresee the long-term social and economic impact as yet. This is further proof that our entire existence rests on the continuous interplay of change and adaptation – or transformation.

Over the last few months, our company has shown that we can rise to this challenge. We quickly changed established ways of working, enabling us to continue to meet our responsibility reliably – both as an employer and as an important provider of information for the business world.

A number of factors helped us to achieve this, including sound economic foundations and a viable business model. We also benefited from having already completed a profound transformation ourselves in recent years. Both our solutions and our processes have largely been digitised. This meant we were able to provide the services which businesses need as quickly as usual and to the same high standard, but that is not all. SCHUFA also developed new solutions which contribute towards overcoming the economic impact of the coronavirus crisis.

Dr Michael Freytag, who is retiring after ten years as Chairman of the Executive Board at SCHUFA, looks back at how SCHUFA developed during his time at the helm. This issue also features an interview with the new Chairwoman of the Executive Board, Tanja Birkholz, in which she talks about the company’s future challenges, objectives and prospects. What is more, we have included a number of brief profiles so that you can get to know the new executive team at SCHUFA.

Furthermore, this year’s company report for SCHUFA will introduce you to a forward-looking joint venture. We will take you to places where you can experience change, take you on a journey into the future with a futurologist, show you our fun approach to equipping young people for the modern financial world, and introduce you to some of our team members who like to think outside the box.

We hope you’ll find the report inspiring!
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EMBRACING CHANGE

Modern technology is changing our lives in many ways. The transformation is particularly impressive at places which offered a fascinating analogue experience just a few years ago and now have new surprises in store.

PHOTOS: RONCALLI, STÄDEL MUSEUM, REAL
Roll up, roll up!

A deafening rumbling sound, elephants balancing skilfully and horses racing around the arena: exactly what you would expect from Circus Roncalli. Now, however, over 40 years after the circus was founded, there is one crucial difference: the pachyderms and all the other animals are 3-D holograms. Eleven special laser projectors with a total of over 3,000 processors generate photorealistic images on a semi-transparent, specially coated gauze. The circus decided to take this animal-friendly approach about three years ago and all Roncalli big tops around the world have been animal-free since 2019. Two-legged performers such as the troupe’s famous clowns still appear in the flesh. Asked what prompted this evolution, Roncalli clearly states: “Circuses must look to the future too. They can’t just be nostalgic.”

Circus Roncalli, Cologne
Photo: Roncalli
Enhanced museum experience
Travel through time thanks to digitalisation. Frankfurt's Städel Museum has developed an app which immerses its visitors in the 19th century and sends them off to explore, either at the museum or from the comfort of their own home. With the aid of a virtual reality headset, visitors find themselves in 1878 – the year the museum was founded. Everything seems real: the magnificent sandstone building in the Renaissance Revival style and the impressive entrance via a double staircase. Visitors make their way through the lavish rooms using only their eyes to navigate. As they go, they even hear the wood creaking underneath their virtual feet. They soon notice how closely together and symmetrically paintings used to be hung, making the walls themselves a work of art. That is precisely the aim of the app: instead of copying the here and now, it sets out to enable users to experience a past age. The 3-D reconstruction is proving successful – e.g. by encouraging more young people to visit the museum.

Travelling through time. Städel Museum in the 19th century
Photo: Städel Museum
Automated supermarket
Welcome to a mom-and-pop store with a twist. Embracing digital solutions, “Emmas Enkel” – a play on the corresponding German expression – is a mini supermarket concept which combines nostalgia with cutting-edge technology. It is operated by the food retailer Real, using technology supplied by the start-up Smark. The first store at Stuttgart’s Rosenbergplatz allows customers to shop 24 hours a day, 365 days a year – either by placing orders at terminals in the shop or by using a mobile app. The order is automatically picked, then customers can make a cashless payment and either take their shopping home straight away or collect it later on. This is a particularly helpful concept during the coronavirus crisis, but even if the pandemic had not happened, there is no doubt the developers have their finger on the pulse of the times. Gerald Schönbucher, CEO of Real digital, says: “With Emmas Enkel, we are reacting to a number of trends in retail. People want to buy fresh, sustainable food from local suppliers, but they also want to be able to shop at any time without travelling far. That's exactly what Emmas Enkel offers its customers.”

Emmas Enkel, Stuttgart
Photo: Real
TIME TO SAY

FAREWELL

After ten years as Chairman of the Executive Board at SCHUFA, Dr Michael Freytag is retiring on 30 June 2020 and returning to his home city of Hamburg. During his time at the helm, the company’s sales doubled and the EBIT margin almost trebled.

PHOTOS. _TORSTEN ZIMMERMANN, FRANZISKA KRUG, SCHUFA

_ Dr Freytag, how would you sum up your time at SCHUFA?

DR MICHAEL FREYTAG._ It was always particularly important to me to combine business success with social responsibility and a digital vision for the future. SCHUFA has consistently evolved its business areas of creditworthiness, fraud prevention and Know Your Customer and aligned them with the specific requirements of a digitalised business world. Strong growth rates for our innovative products serving both corporate and private customers confirm that we are on the right track.

Development of sales and EBIT margin at SCHUFA Holding AG

![Graph showing sales in € million and EBIT margin in % from 2010 to 2019.](source: SCHUFA Holding AG)
What are your fondest memories?

DR MICHAEL FREYTAG. Personal encounters with both colleagues and our business partners are particularly important to me. They all play a pivotal role in SCHUFA’s success. Other fond memories include customer events and industry get-togethers, which were important opportunities to share information. SCHUFA’s digital educational initiative “WirtschaftsWerkstatt” has become the focus of our social responsibility activities. We have now reached nine million young people with this online platform, helping them to become more financially literate.

A particular highlight was SCHUFA’s 90th anniversary involving a high-class customer convention in Berlin and a highly enjoyable staff party at Kloster Eberbach.

What do you hope the future holds for SCHUFA?

DR MICHAEL FREYTAG. SCHUFA’s tagline, “Creating trust”, says it all. It was true in 1927 when the company was established and it remains more relevant than ever in today’s digital world. The course is set for a positive future. As the new Chairwoman of the Executive Board, Tanja Birkholz will give the company new impetus with her profound experience and dynamism. I would specifically like to thank all our clients, employees and shareholders for placing their trust in us and for their great support between 2010 and 2020. The last financial year was the most successful in the history of SCHUFA. I have no doubt that it was just the beginning – the best is yet to come!
A look to the future
A LOOK TO THE FUTURE

Tanja Birkholz has taken over as Chairwoman of the Executive Board at SCHUFA Holding AG. In this interview, she explains where she believes the opportunities and challenges lie and what developments are needed.

PHOTOS_ TORSTEN ZIMMERMANN
You are taking over at a company which has been around for almost 100 years. In what direction do you believe SCHUFA should develop?

TANJA BIRKHOlz _“Creating trust” will remain SCHUFA’s mission – both between companies and between companies and consumers. We need to focus on understanding our clients’ needs even better and offering solutions as an intermediary. This also means understanding what opportunities arise from networks of contractual partners, such as promising ways in which different sectors could work together via new platforms to the benefit of our contractual partners and consumers. I’m looking forward to the exciting task of helping to take a company with a success story which already spans almost 100 years to the next level. I firmly believe that SCHUFA still has a great deal of potential for further success in the future.

What do you see as SCHUFA’s strengths and its greatest potential?

TANJA BIRKHOlz _At its core, SCHUFA is about creating transparency and links between banks, retailers and consumers. That paves the way for successful business relationships and growth. Everyone wants to have key information about an individual they don’t know or a new business partner before they enter into a personal or financial commitment with them. SCHUFA’s unique wealth of data from a network of over 10,000 contractual partners makes this possible – in a fraction of a second. With our solutions, we help to cover the whole value chain of a customer relationship: from identification and fraud prevention to credit checks and compliance with regulatory requirements. Modular, fully digital solutions are becoming increasingly relevant for businesses. They need a partner who can offer support in these areas day in, day out – and hardly any other firm in Germany understands regulation across the various industries as well as we do.

A changing financial sector, digitalisation, new market players – how will SCHUFA tackle these challenges?

TANJA BIRKHOlz _We are in the best position to assist our clients in establishing market-leading digital business processes. Our solutions have to be fast, simple and flexible, in line with the respective customer’s needs. It must also be possible to link them with one another seamlessly and integrate them. However, this doesn’t mean that we have to develop all the necessary aspects ourselves. We want to be associated with an open architecture: the client benefits from the best solutions available on the market. The collaboration within our network of contractual partners and clients is a great asset here. Our current B2B successes clearly demonstrate this: we link extensive external data sources with the details held in our database of people, something no other market player is able to do. We use a fully automated process to validate quality with our very powerful, high-performance systems and apply our special analytical expertise to derive additional information where necessary.

The platform economy is a topic on everyone’s lips these days. Working as a neutral intermediary, SCHUFA can link vastly different industries and combine them to create networks which are relevant for both consumers and companies. SCHUFA has proved time and again in recent years that it can do this successfully. Unlike new market players in particular, it has a marked and widely recognised awareness of how sensitive the data it manages is. In this regard, we offer technological expertise – from system architecture and processes to new solutions in the fields of artificial intelligence and machine learning.

The use of artificial intelligence is the subject of some debate. What is SCHUFA’s view?

TANJA BIRKHOlz _AI processes have played an important role for us for a long time, for example in fraud prevention. Their use in credit scoring also shows that machine learning increases the number of correct positive assessments of creditworthiness. It is important to us to ensure our systems are fair when we use AI and that there is no systematic prejudice. To
this end, we are also involved in corresponding research projects, such as the EU research programme NoBIAS – Artificial Intelligence without Bias.

_ You joined SCHUFA in the midst of the coronavirus crisis. What impact has it had on developments at SCHUFA?

TANJA BIRKHOLZ_ I felt it was important for SCHUFA to step up and help both consumers and businesses at this time. On the back of an impressive team effort, we were able to link existing solutions to create a unique digital application process within just two weeks, thereby doing our bit to enable coronavirus support payments to be made quickly in a fraud-proof way. SCHUFA offers a complete process chain, from verifying the applicant – for example, by comparing tax identification numbers – to analysing liquidity requirements and triggering a payment. With the SCHUFA B2B support loan information system, for instance, we enabled banks and savings banks to validate applications for fast loans from KfW using a digital, fully automatic process and prevent possible fraud at the same time. One of the factors which made our system so successful was that it could be incorporated quickly into the client’s specific processes. We directed more than 700 banks and 12,000 users to the platform via a link – all with the high system and process stability associated with SCHUFA. The customer feedback we received was fantastic. It is rewarding to be able to impress customers with our quality and speed, especially in this challenging and unprecedented situation.

_ So SCHUFA is well equipped for the future all in all?

TANJA BIRKHOLZ_ It will be crucial to respond proactively – not reactively – to changing market and customer requirements and develop solutions which offer clients advantages that are relevant to them. To do that, we must maintain quality whilst quickly and pragmatically. In uncertain times, this often means treading new and unusual paths. The whole organisation needs to remain attentive and poised to act. One of the positive aspects of the coronavirus pandemic is the power of putting diversity into practice with a consistent focus on achieving collective results. That is something we want to maintain going forward. There are many areas where SCHUFA can position itself in order to successfully take its long-standing brand to the next level.

»We create trust in the digital world and enable growth – all founded on our unique wealth of data.«

TANJA BIRKHOLZ, CHAIRWOMAN OF THE EXECUTIVE BOARD AT SCHUFA HOLDING AG
EXECUTIVE TEAM

The SCHUFA Executive Board has a new line-up as of July 2020. Read on to find out more about the Board members and their specialisms.

PHOTOS_ WOLFGANG V. BRAUCHITSCH

DR OLE SCHRÖDER

Dr Ole Schröder has been a member of the Executive Board since January 2020. A doctor of law, he spent eight years of his career working as a lawyer. Ole Schröder was a member of the German Parliament from 2002 to 2017 and parliamentary state secretary at the Federal Ministry of the Interior for eight years starting in 2009. In this role, he was largely responsible for information technology, digitalisation and data protection. Most recently, he worked as a consultant at firms including KPMG and taught at Frankfurt School of Finance as a visiting lecturer. When it comes to data protection, he has no doubt that: “Cutting-edge technology paired with the highest standards of data protection and data security give SCHUFA a crucial competitive edge.”

TANJA BIRKHOLZ

Tanja Birkholz has been a member of the Executive Board at SCHUFA Holding AG since January 2020 and took over as Chairwoman mid-year. Before she joined SCHUFA, she was Director of Finance Architecture, Risk Management and Investor Relations at Commerzbank AG from 2007 to 2016. After that, Tanja Birkholz became a partner at the international management consultancy Oliver Wyman, where she was a member of the management team for the Finance & Risk Practice division in Europe. Her vision for the future of SCHUFA: “Our company is an active shaper and catalyst of digital change processes in the financial industry.”
Peter Villa has been a member of the Executive Board for nine years. He also sits on the Board of Directors of the Business Information Industry Association and the European Credit Research Institute. He has been a chief executive at various companies, most recently holding the position of CEO at Bisnode/Dun & Bradstreet in Germany, Austria and Switzerland. He has been Vice President of the Association of Consumer Credit Information Suppliers in Brussels since June 2019. Peter Villa is particularly interested in new technologies and the associated opportunities for innovative solutions, including collaboration with start-ups and other partners: “The faster and more complex the world becomes, the more important it is to have reliable partnerships and cooperation agreements.”

Holger Severitt joined the Executive Board in 2009. Before he came to SCHUFA, he was CFO at National Westminster Bank AG, then Head of Controlling at SchmidtBank. In 2006, he took over management of Archon Capital Bank GmbH, a subsidiary of Goldman Sachs. Along with his main responsibilities on the Executive Board at SCHUFA, Holger Severitt attaches particular importance to the right corporate culture as the key to SCHUFA’s success: “Having a diverse group of different employees helps us to discuss and implement a range of solutions.”
“THE FUTURE DOES NOT JUST HAPPEN. WE CREATE IT OURSELVES!”

New things are fascinating – and scary. Futurologist Max Thinius explains how the future works, why we sometimes panic unnecessarily and who actually shapes our future. He also shows that the digital revolution will not steamroller us, it rather offers prospective opportunities for all of us.

COPY_ MAX THINIUS, PHOTOS_ HENDRIK HAASE, SHUTTERSTOCK
The future is positive. Why? Because we humans would never try to make it something negative. Although this is true, it is also important to note that the future rarely runs in a straight line. There are changes of direction – some of them drastic. The sudden coronavirus pandemic is just such a drastic event.

When these things happen – as with most crises – we make a simple mistake: When imagining our lives as a large white sheet of paper, we concentrate on a black spot in the middle which represents the coronavirus problem. And yet there is nothing we can change about Corona. We can stay informed and protect ourselves, but we cannot change anything. What we can change, however, are all the white spots around it. And there are lots of them. With this approach, we can reshape the future at any point in our lives. We can do this by learning to use video calls for work or personal conversations or by developing new digital sales channels or business models, for instance. If we do it right, a crisis like this can actually be a real booster which helps to develop our future.

New technology creates uncertainty

Any new technology inevitably leads to radical changes in the business world, society and – most palpably – in our day-to-day lives. New technology rarely works perfectly right from the start. It is still in its infancy and can be temperamental. Combined with ignorance on our part, this stirs up unfounded fears: robots are taking away our jobs, we are losing control over important decisions, or my data is not secure and is being misused. As a consequence, resistance against the new technology mounts.

Very few people can explain what an algorithm is, and yet many harbour a strong dislike of them, considering them to be much too technical, inhuman and – above all – unsafe. Fear of algorithms or digitalisation in general is understandable, but it does not do justice to the new technology. When cars were first introduced, there were a lot of accidents, but only because neither drivers nor pedestrians knew how to behave around them. Only when traffic regulations came in did the new technology become safe. And that is precisely what is lacking on many levels now: a set of rules for digital technologies which is designed for digital (not industrial) opportunities and structures. Algorithms are not dangerous in themselves. Quite the opposite: algorithms can improve our lives and already do so in many ways – satnavs, voice recognition, traffic light phasing, pacemakers, disease identification, the search for the perfect hotel. It would just be better if we had designed the accompanying rules specifically for digital structures. We will get this sorted in the next few years, though. Incidentally, a crisis like Corona speeds up processes of this kind immensely.

Futurology makes the future visible

Where does our fear of the future come from? It often stems from a lack of ideas and goals. People cannot see what is possible. That is where futurology comes in. A futurologist’s job is to make the future visible to people – by collating studies, data and academic papers and developing scenarios based on them. The most important thing to realise is that the future does not just happen. We create it ourselves!

Do you think artificial intelligence in general is more of an opportunity or a threat?

![Graph showing the distribution of responses to the question.](image)

Source: Representative survey of 1,007 German citizens aged 16 or over on behalf of the digital association Bitkom (November 2018)
VALUE ADDED FOR LIFE
MAX THINIUS BELIEVES THAT INTELLIGENT NETWORKS ARE KEY TO CAPITALISING ON THE OPPORTUNITIES ARISING FROM A DIGITAL SOCIETY

Little fish can become big players in a digital world
With digitalisation, even small players have the world at their feet. Mikkeller brewery from Denmark is a prime example of this. In the past, you would need a large industrial brewery costing millions to make good beer. Now, all you need is a set costing €350 including a vat, software and the basic ingredients. As it is controlled by algorithms, the beer turns out better on the very first attempt. With that in mind, Mikkeller said: “Let’s sell the beer our neighbours brew at home. We’ll have more choice then, too.” They started with one microbrewery, then opened two more. All of them sell different beers. Now, they aim to open 120 microbreweries in Europe. They already supply to 45 countries. The best thing is that this success does not just benefit one large brewery: it is shared among the various small and medium-sized companies at each site. All this was only possible because the founder used digital opportunities – instead of trying to establish a big new brewery.

A new mindset is needed
In technological terms, the future is no giant leap away. However, we do need to change our mindset. In an agrarian society, people would have harnessed two horses to a car and wondered why that did not make it go any faster. In other words, an industrial mindset
was needed before the advantages of cars could be utilised. Now, we need to move away from this industrial way of thinking and immerse ourselves in a digital world. In an industrial world, there are a few big fish with production facilities and data centres. By contrast, digital technologies foster the process of democratisation and promote greater equality. In the future, each individual will have access to their own data. They will provide them to a service provider when necessary, and only to a limited extent. Smart firms offer corporate clients and consumers secure data space and, if desired, additional services such as tailored financial planning to help people achieve their life goals or a calculation of ideal liquidity for businesses based on the parameters provided. Security, data protection and trust in reciprocity determine to whom we entrust our data.

**No fear of the future**

The skills needed in a digital world are different from those required in an industrial society. A willingness to embrace lifelong learning is certainly a key skill in the age of digitalisation. At present, our education system is based on the qualifications gained when we leave school and higher education. In a digital world, however, we will not be able to rest on those laurels. We have to keep learning if we want to make full use of the opportunities opening up. Millennials and younger generations are setting a great example of how to do this.

No one needs to be scared. Even if Elon Musk is already working on a Hyperloop – a kind of pneumatic tube for people – or we end up holding videoconferences with our business partners using 3D holograms in the future, none of this will happen overnight. Any technology only develops as far as people want it to and society permits. And what happens when there is a power cut? In our industrial system, chaos breaks out. There will be no such thing as power cuts in a digital world, though, because we will all produce our own electricity using a solar panel and be able to fall back on a network if necessary. Although the digital world may seem newfangled, it also represents a re-emergence of old values: one for all and all for one.
Young people often find it difficult to handle their finances correctly. SCHUFA has developed a playful way of making this issue accessible – not just for those who need a bit of support – with its board game “W² Finanz-ABC”.

PHOTOS_ HELLIWOO Media and Education, Peter Seifert
“Your mobile phone provider rings and offers you a faster data connection. You say yes without checking whether you can afford it. Miss a turn! ” Scenarios which are, at most, annoying in a game can have serious financial consequences for young people in real life. This is precisely what brought together project leads and players at the Bildungswerk der hessischen Wirtschaft (BWHW) in Wiesbaden in November 2019. The group at the table included Ingmar Jung, a German MP and member of the Committee on Legal Affairs and Consumer Protection. The event marked the beginning of SCHUFA’s roadshow to promote its new board game, W² Finanz-ABC.

**Armed for day-to-day life**

The game is designed for four to six players, all of whom need a basic understanding of German. It is always played with a facilitator, who could be a teacher or a member of staff at the non-profit organisation or education institution which ordered the game free of charge from SCHUFA. The game deals with issues surrounding work, housing, mobile phones and bank accounts. It primarily focuses on things that can catch out unsuspecting consumers in day-to-day life. Players of W² Finanz-ABC can choose between two levels of difficulty. As it gives rise to a lot of dialogue and the players have to set up the board themselves first, it also promotes linguistic and social skills. “We chose to develop it in German only because it deals with terms, payment methods and arrangements which simply do not exist in many other countries. This also means the game can help to develop players’ vocabulary and reading comprehension,” explains Serena Holm, Head of Corporate Affairs & Regulatory Management at SCHUFA. Her team oversees all of the activities organised in connection with the educational initiatives “W² WirtschaftsWerkstatt” and “SCHUFA macht Schule”.

The roadshow, which also aims to raise public awareness of financial education for particularly vulnerable groups, sets out to establish direct contact with young people. As well as visiting the Bildungswerk in Wiesbaden, it called at the BWHW centre in Bensheim. Roadshows will be held at other educational establishments and social organisations throughout Germany.

The youngsters learned a lot while having fun. I have no doubt it would have been much harder to achieve that with a lecture.«

*INGMAR JUNG, MEMBER OF THE GERMAN PARLIAMENT*

Digital natives are not necessarily better informed. A glance at the results of SCHUFA’s latest “W² Jugend-Finanzmonitor” – a representative study of youngsters’ financial behaviour – underlines that there is room to improve young people’s financial literacy and consumer protection: just seven percent of the respondents aged 16 to 25 consider their financial skills to be “good” or “very good”. Despite the availability of apps and so on, young people need more practical financial knowledge – especially if they have recently arrived in Germany and want to integrate themselves linguistically, socially and professionally. “On top of this, financial matters are often taboo, especially when it comes to financial difficulties,” says Serena Holm.
A different way of learning
But how did SCHUFA come up with the idea – and why develop a game? “A growing number of non-profit organisations have contacted us in recent years, looking for resources to teach basic financial literacy. This could be for people who have been forced to flee to Germany or who find it difficult to access financial knowledge due to a language barrier,” says Serena Holm. She adds: “We wanted to take a slightly different approach to the issue which is unlike traditional education offerings. This made a game the obvious choice. Something else we didn’t realise to start with is that board games are considered a typical German pastime, so we are also sharing a little piece of everyday culture.” Interested organisations can now order the game, which is aimed primarily at non-school education providers and citizens’ advice centres.

First-hand input
The game was developed in conjunction with the Berlin project agency Helliwood media & education, which also supports SCHUFA’s educational initiatives. During the pilot phase, SCHUFA worked closely with Bildungswerk der hessischen Wirtschaft. It also liaised with the debt advisory service provided by the charity Sozialdienst katholischer Männer e. V. in Cologne and the voluntary service centre Freiwilligen-Zentrum Wiesbaden e. V. During the early stages, the game was tested there multiple times. This helped SCHUFA to identify which real-life topics were most important to young people. A number of other issues were the subject of intense debate during the development phase. “Like whether or not you are allowed to knock other players out of the game,” Holm explains. In the final version, this is optional, i.e. the game caters for different types of players – including those who are motivated by strong competition. Interestingly, most people choose the cooperative way of playing without eliminating other people.

A topic that affects everyone
SCHUFA initially produced approximately 500 copies of the game. More than 300 were ordered within six months – by educational establishments, citizens’ advice centres and, in some cases, schools throughout Germany. Alisa Klein, an education worker at Bildungswerk der hessischen Wirtschaft, regularly uses the game with the young people she supports: “The detailed questions are the game’s real plus point because we don’t have dedicated financial lessons here.” The combination of educa-

Playing is a good way to break the ice: it is easier for participants to talk about their financial skills.

Do you have “good” or “very good” financial skills? Just

7%

of young people say yes. That is the result of the “W² Jugend-Finanzmonitor 2019”, a survey examining young people’s financial behaviour.

Source: SCHUFA / forsa
Like day-to-day life: during the game development process, attention was paid to incorporating real-life scenarios.

Like day-to-day life: during the game development process, attention was paid to incorporating real-life scenarios. “It’s great fun. We laugh a lot and it helps youngsters to lose their fear of mountains of bureaucracy,” she says.

Some young people have even asked whether they are allowed to play the game at home with their families, she adds. Serena Holm is delighted with the positive feedback, too: “It confirms that analogue games are still popular in this digital age.” She is also particularly pleased that: “W² Finanz-ABC appeals to a much larger audience than we initially expected. It is useful for anyone who needs financial education – not just for migrants. The 18-month game development process was definitely worthwhile.”

**W² – WirtschaftsWerkstatt**

The abbreviation “W²” stands for SCHUFA’s educational initiative, which helps youths and young adults to acquire everyday financial literacy. Its extensive offering – primarily online and via social media platforms – provides a wealth of information about business and financial topics along with interactive exercises and initiatives. This makes financial issues tangible and fosters development of key skills.

If you are interested in W² Finanz-ABC and would like to order the game for free, this link will take you to the online order form.

www.wirtschaftswerkstatt.de

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*W² Jugend-Finanzmonitor*

On behalf of WirtschaftsWerkstatt, the opinion researchers at forsa regularly conduct a survey of over 1,000 youths and young adults aged between 16 and 25 along with parents aged 40 to 55.

90% of young people think that money and financial topics should be covered in greater depth at school.*

Source: SCHUFA/forsa

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* If you are interested in W² Finanz-ABC and would like to order the game for free, this link will take you to the online order form.

www.wirtschaftswerkstatt.de
ON THE MONEY TRAIL

A revised version of the EU Anti-Money Laundering Directive has been in effect in Germany since the beginning of the year. Companies have to comply with a large number of regulations, which apply to many commercial businesses as well as operators in the financial sector. ClariLab, the new joint venture between SCHUFA and the start-up fino, offers liable firms solutions which simply and directly implement the regulatory requirements designed to combat money laundering and terrorist financing.

According to an analysis by the Federal Ministry of Finance, €100 billion is laundered each year in Germany alone. This causes considerable damage to the business world and society. Money laundering is no small matter. Criminals put proceeds from offences such as drug dealing and arms trading into the legal flow of money, making it impossible to trace the origins of the capital.

The revised version of the German Money Laundering Act (GwG) requires companies to conduct more in-depth checks on new business partners and to report any suspicions to their local supervisory authority. “Fraudulent activities and cybercrime have been on the rise for years,” say Tobias Eiss from fino create GmbH and Tobias Weber from SCHUFA Holding AG. The two men are the future managing directors of ClariLab GmbH & Co. KG. “We are seeing less and less time passing between legislative changes and enhancements to the regulatory requirements,” they explain. The latest amendment to the GwG is the fifth since 1993.

Worldwide money laundering prevention

In a globalised, digital world, national borders are no obstacle to money laundering. The Financial Action Task Force (FATF) is the most important international body dedicated to combating and preventing money laundering. The FATF sets standards, and although the standards are not directly binding as law, more than 170 countries have adopted them as binding regulations to date – including Germany in the form of the EU Anti-Money Laundering Directive and the German Anti-Money Laundering Act. 2020 will be an interesting year: the FATF is checking the implementation of the EU Directive in Germany and paying particularly close attention to the supervisory authorities in the process.

The KYC process is extremely costly and time-consuming for businesses

The implementation of the Anti-Money Laundering Act therefore presents considerable challenges for more and more companies. Performing checks on business partners – also referred to as KYC (Know Your Customer) – is a very complex process: numerous national and European directives have to be taken into account. It involves special requests for paperwork, which may not be machine-readable.
Until now, it has therefore been virtually impossible for many companies to automate their KYC process. “It is not unusual for more than a dozen employees at a bank to be taken up with nothing but checking customers and business partners. And KYC is an obligation: it doesn’t bring in any money for the bank,” says Tobias Eiss, speaking from experience.

ClariLab GmbH & Co. KG in Frankfurt am Main is a joint venture which was established by SCHUFA Holding AG and the Kassel-based fintech company fino run GmbH in April 2020. In the future, it will pool all of the activities associated with KYC services. By setting up ClariLab, SCHUFA is consistently further expanding its strategic business unit Compliance and its B2B activities with the assistance of fino, a renowned expert in digital processes. Both SCHUFA and fino believe that this area has considerable potential, which they intend to tap together via their new joint venture, ClariLab. The two companies developed the KYCnow solution back in 2018 and it is now being transferred into the joint venture. The platform enables clients to send an enquiry directly to SCHUFA’s database and receive a KYC file in a matter of seconds. This contains all the relevant company information needed to risk-assess a business partner. “Without KYCnow, the due diligence process can take up to eight weeks,” explains Tobias Weber – which is not really conducive to closing a deal.

**A modular solution**

ClariLab lives up to its name: in a dynamic environment it develops the products needed for clear, above-board business relationships. The new Anti-Money Laundering Act makes particular demands of lenders and financial service providers – but also wholesalers and retailers, real estate agents and auction houses – to conduct in-depth checks. The Federal Financial Supervisory Authority (BaFin) tells banks and financial service providers how to apply the regulations. However: “Reviews vary from sector to sector, making the KYC process incredibly complex,” explains Tobias Weber. This makes the modular structure of KYCnow another plus point. Sectors covered by the Anti-Money Laundering Act can use either individual modules to suit their needs, or the whole package. A new feature is already being piloted for the real estate industry: an app enables a risk assessment of the buyer to be conducted using a mobile device (such as a tablet or smartphone) directly at the property.
Supporting banks instead of challenging them

“Our aim is to help our clients to make their business better. Rather than competing with them, we leave financial service providers their customers,” explains Tobias Eiss from fino. This model complements SCHUFA’s approach: “We want to enable companies to operate lawfully,” says Tobias Weber. fino is licensed by BaFin – another benefit for future clients and partners. This licence means, for example, that payment transactions can be triggered directly and account information services can be provided.

KYCnow has been presented to clients countless times already. Tobias Weber and Tobias Eiss surprise their prospects every time: “We wouldn’t have thought SCHUFA was capable of something like that,” they are often told. The feedback is clear: clients are impressed by this opportunity to minimise the work and expense associated with the KYC process so that they can concentrate on maximising their profits again. The speed with which fino reacts to market requirements and the quality of the data provided by SCHUFA are impressive benefits.

Joined forces can achieve great things

Right from the start, SCHUFA and fino had a shared understanding of how innovative KYC solutions could be implemented. Embedded in both companies’ DNA is the notion of using dialogue to take ideas to the next level together and develop the best possible solutions for clients and business partners. As an established fintech company, fino brings to the table pronounced development expertise, links within the financial world, and the option of establishing a BaFin-regulated firm via fino run GmbH. Meanwhile, SCHUFA has a database which is unique in the B2B sector. It seemed only logical to join forces to achieve more. Tobias Weber comments: “A real highlight was meeting fino one weekend for an awayday at a farm. We were able to combine our expertise and forge ahead with the project.” Tobias Eiss adds: “The hands-on mentality convinced us to move forward with SCHUFA. You don’t often find that at big businesses.” In addition to the existing solution, SCHUFA and fino want to develop other services for technologically sophisticated, efficient regulatory management with ClariLab.
Germany’s new Anti-Money Laundering Act (GwG) 2020 obliges almost all sectors to meet stricter requirements for the prevention of money laundering. This expands the group of companies covered by the legislation far beyond the financial sector. Businesses to whom the legislation applies must be able to provide evidence to the relevant authorities at any time showing that they fulfil the requirements of the GwG.
A FRESH PERSPECTIVE

Employees talk about how they reinvented themselves professionally. By joining SCHUFA, they brought insights from totally different industries.

PHOTOS: PRIVATE COLLECTION, SCHUFA, MICHAEL ZELLMER, SOKA-BAU, DETLEF GOTTWALD
Spending months at close quarters with 200 people on board a ship really teaches you the true meaning of teamwork, trust and being considerate. In his five years as a ship’s diver in the German navy, Andreas Pesch learned how to stay calm in critical situations. After he left the navy, this skill proved very helpful in managerial roles at various companies, from a start-up to an audit firm. He has been responsible for the 60-strong Operations and Service Management Department at the SCHUFA office in Berlin since November 2018. With the help of his team, he ensures that thousands of client requests for amendments and information are met on time each day. For Pesch, the key to success is: “I see myself as part of the team, not its head.”
THINKING OUTSIDE THE BOX

MELITO VAN DER ENDE
Principal for Digital Transformation & New Business

Inspiring people to reach for ambitious goals and facilitating new product ideas is Melito van der Ende’s dream job. Establishing a start-up for an energy supplier in 2015 which developed a smart-home solution within the space of nine months served as confirmation. “Using methods like design thinking for opened my eyes to customer-centricity – partly because I had a lot of contact with international entrepreneurs.” Now, this mindset is an advantage for him and his colleagues. As an internal consultant at SCHUFA, van der Ende brings together the right people to develop products for payment transactions with energy suppliers or fintechs, for example. Something that still impresses him in comparison with his previous job is that: “I never would have imagined how many industries I can work on digital solutions for here.”
Every so often, Katharina Gerlof treats her colleagues to some home baking, but despite having trained as a pastry chef, she chose to embrace a completely different set of professional responsibilities when she joined the call centre team at the SCHUFA ServiceCenter for private customers in Cologne in June 2019. The move changed both the nature of her job and her working hours immensely. Although she loves baking, she found working at a bakery too demanding – especially in the early hours when most people are asleep. Now, she is happy providing customer advice, assisting consumers with issues such as data retention periods, fraud prevention and credit scoring. Sometimes, her role is to listen carefully and explain what SCHUFA actually does. One of the other striking features of her new job is: “I wouldn’t have expected to deal with such an incredibly diverse range of customers here.”
When she joined SCHUFA, Frauke Remmert swapped her workbench for a desk: “My old boss – the manager of a small electronics firm with a workshop and sales force – retired. I decided it was time to do something completely different.” Having previously repaired everything from coffee makers to smartphones and cable TV equipment, she hung up her tools. Since May 2019, the radio and television engineer has been working as a complaint management agent at the Hanover site, where she is responsible for written communication with consumers. Her experience from her old job helps her to analyse customer complaints quickly, process them correctly and check SCHUFA’s data pool. You could say that Frauke Remmert always has the right wiring in mind.

FRAUKE REMMERT
Complaint Management Agent

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PAUL MICHAEL HÜCKEL
CSR and Communications Consultant

Even in the classroom, Paul Michael Hückel, a grammar-school teacher of English and Geography, placed the emphasis on sustainability whenever he could: "But that wasn’t enough. I wanted to deal with sustainability issues in greater depth." So, after he completed his teacher training, he decided to enter the business world and obtained a MBA degree in Sustainability Management. Now, as a CSR and Communication Consultant, he benefits from his teaching experience, which helps him to explain complex issues in a simple manner. In addition to CSR reporting and sustainability concepts, he also oversees the educational initiative "SCHUFA macht Schule" and develops teaching resources focusing on money matters.
Anyone looking for creative input will soon find it at SCHUFA’s head office in Wiesbaden. The company’s art collection, “FARBRAUMWELTEN”, enriches the corridors and rooms of the building in more ways than one. Curator Cornelia Saalfrank developed the concept which – like the company itself – is constantly evolving in diverse, new ways without losing touch with its DNA.

SCHUFA was very open to ideas about integrating modern art when it moved into its new building. This made it possible to create “FARBRAUMWELTEN” – a collection of art focusing on colour, shape, light and space. The works of art also tie in with the company’s values of dynamism and transparency. We put together the collection by searching for innovative talents and artistic approaches at studios, exhibitions and shows or with the help of competitors.

I believe that corporate art has a special role to play. Integrated well, it can add a visually stimulating dimension to everyday work. We want to use it as a way of confronting engrained ways of thinking or looking at things. In other words, staff and visitors come up against aesthetic challenges which are difficult to ignore, for example because the colours are so intense or the effects of dynamic light art are so striking. This provokes dialogue, either internally or with other people. That is inspiring and can broaden people’s horizons. Another fantastic feature of “FARBRAUMWELTEN” is that no other company has a comparable collection concept.

Works by 20 different artists are currently on display. The art is in dialogue with the building’s modern architecture – and, of course, the people who work at SCHUFA. The artistic techniques used are as diverse as the company’s workforce: spray-painting, sculptures, installations, photography, light art and a large number of conceptual approaches.

Personally, I also find it inspiring that members of staff – often accompanied by their whole family – like to make the most of the tours we offer, for instance as part of the annual “Kunstprivat!” event. Many of them are now really proud of the high-quality art we have. I hope even more employees will develop this sense of pride – also because the collection is always developing, just like the staff at SCHUFA. With our “JUNGE FARBRAUMWELTEN” project, we are also collecting pieces by young artists who integrate digital technology into their work.

For more information about the art collection, please scan the QR code or visit www.schufa.de/kunstsammlung.jsp
NICHOLAS BODDE

A member of the current concrete-constructive art movement whose paintings of stripes emotionalise geometry.

Untitled, mixed media on a Dibond aluminium sheet, 1:2.33
As a medium-sized company with special significance for the economy, we are firmly embedded in Germany’s business world and society. Taking responsibility for both our services and the impact of our actions on society forms part of our sense of identity. This is the ethos behind our Corporate Responsibility (CR) activities.

Our understanding of responsibility is clearly illustrated and brought to life by five fields of action. Our customers are at the heart of everything we do: we develop and provide process-optimised, value-adding products for them and treat the data entrusted to us carefully. In the digital society, we stand for the responsible use of technology and are committed to utilising the opportunities presented by digitalisation whilst simultaneously minimising the risks. For our employees, we are a reliable and attractive employer which attaches particular importance to a cooperative corporate culture and a family-conscious HR policy. We want to minimise the environmental impact of our activities, hence we ensure our business practices conserve resources. We are actively involved in the community, both nationally and locally, and focus primarily on financial education.

Scan the QR code for more information about our fields of action.
PERCENT of the telephone enquiries we received in 2019 were dealt with immediately.

PERCENT was our turnover rate in 2019.

THOUSAND sheets of paper were saved in-house in 2019.

THOUSAND enquiries are submitted to our SCHUFA FraudPool each day.

MILLION youths and young adults have participated in our WirtschaftsWerkstatt education initiative since 2013.
We have defined clear targets for each of our fields of action which allow us to measure achievements and manage activities. With a company-wide working group and our own consumer board and SCHUFA ombudsman, we have established central structures to ensure our actions and communication are transparent. This also includes maintaining dialogue with relevant stakeholders, especially policymakers and consumer groups. We want to incorporate their interests into our CR strategy and thereby deliver on our promise of creating trust.

**Award-winning sustainability: SCHUFA sets standards in the financial industry**

Our community involvement and corporate responsibility activities have already won a number of awards. In 2019, for instance, we achieved the top score of 100 points, gaining us first place and the quality rating “ecologically, economically and socially valuable” in a ranking of “Germany’s most valuable companies”. This demonstrates we set the bar for other firms in the financial sector.

**CUSTOMERS & PRODUCTS**

We believe that a high level of customer satisfaction is an important gauge of successful business. Our top priorities are keeping the data entrusted to us secure, handling it sensitively and continuously improving the quality of the associated systems. Data is processed in accordance with the General Data Processing Regulation (GDPR). Furthermore, as well as having the functionality of our compliance processes checked and certified by TÜV Rheinland Cert GmbH every three years, we regularly train our staff on compliance with relevant legislation and guidelines.

**SCHUFA in dialogue**

SCHUFA is the only credit bureau in Germany which has set up an ombudsman procedure for consumers. We seek dialogue at various levels to incorporate all stakeholders’ interests into our activities and ensure transparency:

**SCHUFA’s ombudsman**, Prof. Dr Hans-Jürgen Papier, former President of the Federal Constitutional Court, is an external mediator between SCHUFA and consumers. He investigates disputes in a neutral, unbureaucratic fashion.

The **SCHUFA consumer board** is made up of academics, journalists, policymakers, debt advisers and business representatives. As an advisory body, it examines topics which are relevant to consumers.

Our **customer advisory boards** discuss current issues relating to the corporate strategy and business development. The advisory boards’ members come from a wide range of industries and also provide valuable input from the world of business.
DIGITAL SOCIETY

The digital transformation gives rise to new technological opportunities and business models which SCHUFA can use to the benefit of its customers and stakeholders. However, digitalisation also entails risks such as data misuse, which SCHUFA is tackling with its strong expertise and innovative products to protect identities and prevent fraud. In this way, SCHUFA is helping to protect businesses and private individuals from fraud and its consequences. Our key position in an increasingly digital credit and consumer economy goes hand in hand with a huge responsibility. In the interests of Corporate Digital Responsibility (CDR), we have formulated principles which guide our actions and form the basis for our contribution to the digital debate.

Reliability and verifiability:
The processes we use are reliable and are constantly verified by our experts.

Transparency and comprehensibility:
We have our processes verified regularly by external auditors and disclose them to supervisory bodies. We ensure our actions are comprehensible to consumers and provide them with information about the general principles of credit scoring.

Participation and empowerment:
We have set ourselves the goal of enabling as many people as possible to participate in economic life and fostering autonomy. In doing so, we want to avoid unlawful discrimination and use credit-relevant information to predict the probability of repayment.

ENVIRONMENT & PURCHASING

SCHUFA is committed to taking responsibility for the ecological impact of its business activities and continually reducing its environmental footprint. We established an environmental management system back in 2005, which we manage and constantly expand using a concrete system of KPIs. Our efforts in this area are supported and regularly commended by the city of Wiesbaden's cooperation project “ÖKOPROFIT”. These steps enable us to reduce both our environmental impact and our operating costs. As a result, we have saved 33,926 m³ of drinking water since 2005 by using a service water system and fed 3,387 kWh of electricity into Wiesbaden’s power grid in 2019. Almost all of our sites have been using 100 percent green power since 2015 and we continued to forge ahead with efforts to replace our lighting with energy-efficient LED bulbs in 2019.

Experts took part in panel discussions debating the targeted use of AI/machine learning to fight fraud.

At SCHUFA’s annual forum focusing on artificial intelligence, best-selling author Frank Schätzing inspired some 100 guests from politics, business, academia and associations.
Green electricity is also used for our employees’ business trips on the Deutsche Bahn rail network. Staff members who are entitled to a company car can also choose from a wide range of electric, natural gas and hybrid vehicles. This enabled us to reduce the carbon emissions caused by our business travel and company cars by 16 percent in 2019. In addition, we installed two electric charging points at our underground car park in Wiesbaden and another two at our outdoor parking areas.

Using sustainable paper and raising staff awareness of treating paper responsibly is another important means of conserving resources. We have already switched to using nothing but paper with the Blue Angel ecolabel for our internal processes and set all printers and photocopiers to print on both sides of the page. This allowed us to curb our internal paper consumption by 28 percent in 2019.

Furthermore, we choose sustainably manufactured options when purchasing services and goods such as office supplies and advertising materials. We are paying closer attention to producers’ social and environmental standards as well.

Employees who are entitled to a company car can choose from a wide range, including electric, natural gas and hybrid vehicles.

We also strive to be a responsible, reliable partner to our employees: 90 percent of the contracts which we sign with our staff members are permanent. With employees spending over ten years at the company on average and a low staff turnover rate of 4.1 percent, SCHUFA is clearly an attractive employer. Our staff and their knowledge, dedication and ideas are the cornerstone of our company’s success.

We introduced an internal agreement on mobile working in 2019, offering our employees the chance to do their jobs flexibly and independently wherever they like. 27 percent of our workforce chose to work part-time in 2019. We also help our members of staff to balance their professional and family commitments. This earned us certification as a family-friendly company in the “audit berufundfamilie” in 2014, followed by recertification in 2017 and 2020. As part of our work in this area, we offer ten childcare places in Wiesbaden in conjunction with a nursery provider and provide parent-and-child offices at all our sites.
COMMUNITY

For us, fulfilling our social responsibility means taking action where we can make the biggest difference with our expertise – such as by providing financial education for young people. Since 2013, we have reached more than 9.1 million youths and young adults with the WirtschaftsWerkstatt (W²) – online and via social media. On top of this, we have provided teachers and schools with approximately 25,000 free teaching resources via our “SCHUFA macht Schule” initiative.

We also give interested members of the public access to facts and trends relating to retail borrowing, consumption behaviour and financial culture in the SCHUFA “Kredit-Kompass”. Our website www.scoring-wissen.de contains valuable information about credit scoring procedures.

SCHUFA is active in the “CSR Regio.Net Wiesbaden” network along with 27 other companies. The firms work together to integrate societal aspects into all areas of their business activities more systematically. With this commitment to their employees, the environment and the community, the companies of “CSR Regio.Net Wiesbaden” are dedicated to more responsible corporate governance in the region.

Award-winning education: in 2019, SCHUFA’s educational initiatives once again received the Comenius EduMedia Award for digital education media and the FOXAWARD for highly successful communication projects.

One of the network’s initiatives is “WiesPaten”. This offers special support lessons for children and youths – especially those from migrant families – along with activities for the children with “WiesPaten” mentors at the partner firms.

Staff volunteering is also an important part of SCHUFA’s Social Responsibility activities. Corporate volunteering days were held at five sites in 2019, which saw a total of 58 volunteers completing 464 hours of charity work.

We also promote charity projects which our employees support in their free time with our “Corporate Volunteering Award”. In 2019, the jury selected six projects, each of which received €1,000.
SCHUFA HAS SIX SITES:
in Berlin, Munich, Hanover, Bochum, Cologne, Wiesbaden (head office); plus an office in Hamburg.
KEY COMPANY FIGURES 2019*

BUSINESS FIGURES

41.1
MILLION EUROS OF ANNUAL NET PROFIT were generated by SCHUFA.

212.2
MILLION EUROS IN SALES were generated by SCHUFA.

900
EMPLOYEES work at SCHUFA's six sites.

PRODUCTS AND SERVICES

169.4
MILLION REPORTS and updates were sent to corporate customers by SCHUFA.

2.7
MILLION CREDIT REPORTS were issued to consumers by SCHUFA.

460,000
REPORTS are processed by SCHUFA on average each day.

10,000
CORPORATE CUSTOMERS use SCHUFA.

DATA POOL

1
BILLION PIECES OF INFORMATION about individuals and companies are kept on record by SCHUFA.

67.9
MILLION is the number of people on whom SCHUFA stores data.

6
MILLION is the number of companies on which SCHUFA stores data.

* Figures rounded.