



Corporate Social Responsibility –
Report on sustainable development
by bauverein AG

2011

Gathering know-how within a Europe wide network

In times of globalization, housing companies are still confronted with the same ecological, economical and social challenges. Regardless of different traditions and national demands, it is necessary to find answers to the following questions in the next few years:

- How can the construction of public housing be financed despite the constant decrease of public funds?
- Which contribution can the housing industry make regarding the demographic development?
- How can constructing, reconstructing and living become more sustainable and power-saving?

The European Housing network (EURHONET), which was founded in 2006, is asking itself these questions. Companies from different member countries are gathered here, working together under the motto “benefit from the experiences of others” in order to develop know-how-standards, best-practice-models and marketing strategies for a “housing industry of the future”.

Cross-border competence center

Therefore, EURHONET is a transnational competence center for the European housing industry. The benefit is, that all members offer the same products and services, but are not competitors. Also: projects that could never be done by one company alone can be realized in cooperation.

Many projects are being developed under the direction of EURHONET. Hereunto belong for instance the EU funded energy saving projects AFTER and BECA. Furthermore five topic groups dedicate themselves to issues as “Corporate Social Responsibility” (CSR), “Social Integration”, “Aging of the Population”, “Energy Savings” and “Human Resources”.

Focal point on sustainability

Already in 2007 international CSR-standards were developed for the housing industry. The result was a total of 58 – qualitative and quantitative – indicators to help define responsible acting. These indicators range over different subject areas as there are for instance: “Promoting local social sustainability” and “Responsible human resources management”. In 2008 bauverein AG was the first German housing company to publish a CSR report based on those standards (EURHO-GR) and has since then annually documented its engagement concerning sustainability.

New in 2011:

- On-site exchange of expertise through workshops
- Exchange program for employees of the member companies
- Founding of task forces to improve the working methods
- Start of perennial energy saving projects like AFTER and BECA

Preview 2012:

- Conference on the employee exchange program
- Continuation of the public interest project
- Development of guidelines to convert dwellings into accommodations suited for the elderly
- Development of a EURHONET-communication plan

France

- FSM (Melun)
- Habitat 62/59 Picardie (Calais)
- Le Foyer Rémois (Reims)
- Le Toit Angevin (Angers)
- DELPHIS (Network, Paris)
- Société Dauphinoise pour l'Habitat (Grenoble)

Sweden

- Familjebostäder (Stockholm)
- Gavlegårdarna (Gävle)
- Mimer (Västerås)

- Hyresbostäder (Norrköping)
- Stångåstaden (Linköping)
- VätterHem (Jönköping)
- ÖrebroBostäder (Örebro)
- AB Helsingborgshem (Helsingborg)

Italy

- ALER Brescia
- ALER Milano (Milan)
- ATC Torino (Turin)
- IPES Bolzano
- IACP Bari
- ARTE Genova (Genova)

Germany

- bauverein AG (Darmstadt)
- GBG Mannheim
- GWG München (Munich)
- DOGEWO 21 (Dortmund)
- GEWOBA* (Bremen)
- Pro Potsdam
- BGW Bielefeld*

Great Britain

- Bolton at Home* (Bolton)

*Confirmed through executive committee, confirmation through general assembly will follow in October.

EURHONET in numbers:

The network includes 28 housing companies from 5 member countries: France, Sweden, Germany, Great Britain and Italy (see table).

Germany is being represented by a total of 7 housing companies, there under bauverein AG, which is also amongst the EURHONET founding members. Each member company has publicly financed dwellings in its portfolio. All combined, the EURHONET members have a total stock of approximately 600.000 dwellings.



1.



Promoting local social sustainability

Publicly financed and inexpensive living space

Since its foundation in the year 1864, bauverein AG has been a base supplier. Providing inexpensive living space for broad levels of the population is therefore still one of the main tasks of the housing company and will continue to be in the future. In 2011 491.398 m² (2010: 496.722 m²) of publicly financed living space was offered. That is almost 44% of the entire bauverein AG living space available.

The offer of inexpensive living space is even bigger considering that within the free financed sector approximately 35.000 m² are being rented for 4 EUR/m² and 314.238 m² are being rented for 6 EUR/m². How serious bauverein AG is taking, through its history developed, dedication can among other things be seen by the fact that the company undertook 84 social housing dwellings (In der Kirch- tanne 6, Darmstadt-Eberstadt) into its obligation again after they went through a major modernization. This happened in agreement with the city of Darmstadt. As if that were not enough, 34 of these dwellings were converted into accommodations suitable for the elderly. In 2012 among others 19 publicly financed dwellings in Rüdeshheimer Straße 98 are designated to be converted. The foundation stone ceremony was in March 2012. Parallel to that, a total of 30 publicly financed dwellings are being established in Binger Straße 2-6.

Darmstadt belongs to those regions for which a growth of the population within the next years is predicted. Also, the city of science has never been more attractive for students as well. In 2011 the graduate schools and universities of Darmstadt had a record high regarding new students because of the abolition of the compulsory military service as well as the double intake of school leavers. Therefore the demand of living space in the city of science is growing.

Already bauverein AG has a number of applicants for each vacant apartment.

The demand of inexpensive as well as publicly financed dwellings is especially high. A trend, which can be observed nationwide, since 20% of all households are low income households. Because numerous dwellings fall out of the engagement each year which causes a decrease of available publicly financed dwellings, the situation is additionally tightened. Even though the population is most likely to decrease because of the demographic development, it is assumed that the number of people receiving low income will keep increasing. The maintenance of low income households will therefore remain an important assignment of the municipal housing industry.

The dimensions of the loss of the social engagements can be seen by a look on the bauverein AG portfolio. Between 2000 and 2012 a total of 1.527 dwellings fell out of the engagement. Yet 1.096 new publicly financed dwellings were created. Till 2020 approximately 1.000 existing dwellings will fall out of the engagement – a number which cannot be compensated by building 100 new publicly financed dwellings a year starting 2014, which is, what was agreed upon with the city of Darmstadt. Without the help of the federal, state and local governments it is not possible for bauverein AG to replace the dwellings falling out of the engagement in an equal measure. Yet the governments have to battle with empty treasuries and limited resources. Nevertheless, in order to contribute to the preservation respectively the creation of publicly financed living space, bauverein AG sees to it that in transformations of quarters, publicly financed living space remains or will be created new.

A very successful concept for financing of publicly financed living space was presented by the company through the renewal of the quarter in Holzhofallee/Schepp Allee. Because of the accretion that took place in the line of the improvement measures, 66 additional social housing dwellings could be created in the city of Darmstadt. Concepts like that will be more and more necessary when it comes to the financing of new social housing.

Number of dwellings for rent remains constant

The situation is different in the free financed area. Here, the number of dwellings offered by bauverein AG remains relatively stable. In 2011 bauverein AG offered 629.982 m² of free financed living space (2010: 633.308 m²). Because bauverein AG sees to it that each sold dwelling is replaced, this magnitude won't be affected by the tenant privatization program or the selling of existing buildings. Therefore the number of dwellings for rent in the bauverein AG stock will remain constant in the next couple of years.

Purchase of property for a broad number of social classes: tenant privatization programs

Already since 2003 bauverein AG is offering its tenants the possibility to purchase property at favorable conditions in the line of tenant privatization programs. The purchase of a dwelling has many benefits for the tenant. They dispose of a secure financial investment and invest in old-age provision. The monthly liability usually

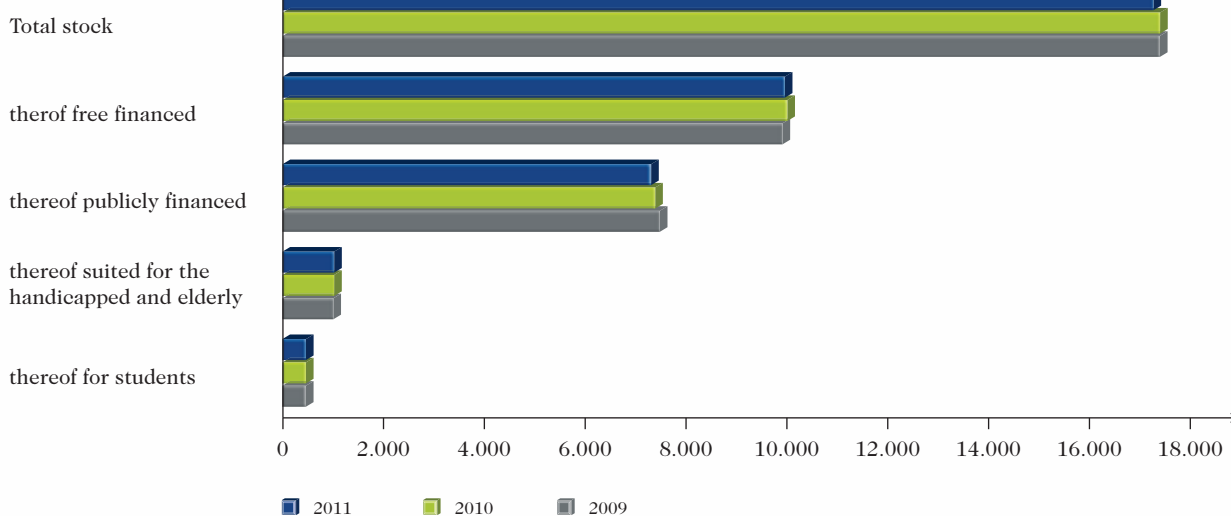
equates to the rental payments. Considering the momentary interest level, the purchase of property is even less expensive. The return guarantee offered by bauverein AG is unique, because it guarantees that the buyer can resell the dwelling to bauverein AG for the same price as it was bought, in case of financial difficulties or personal emergency situations (illness, unemployment etc.). bauverein AG has launched two tenant privatization programs so far, the third one will follow 2012. Each year approximately 80 to 90 dwellings are offered and sold successfully. Since 2003 more than 500 dwellings have been sold to tenants, who then became happy property owners.

Create elderly suited living space

The commitment to provide living space appropriate to the local demand means that bauverein AG has to orientate itself and react upon the demographic development in the south of Hessen. Due to the increasing aging of the population this applies especially to the demand on dwellings suited for the elderly. According to a study done by the curatorship Deutsche Altershilfe (KDA) by order of the federal ministry of traffic and city development, the expected demand of dwellings suited for the elderly in 2025 will lie by 2.5 million dwellings. Despite of that challenge, in 2012 the federal government has disposed of the subsidies for the retrofitting of dwellings for the elderly. The KfW (a German business development bank) is indeed continuing this program with its own financial means, but only in a much smaller degree.

Development of the dwelling offerings

Number of dwellings



- The diagram shows the development of the dwelling offerings of bauverein AG. Especially the number of student flats and dwellings suited for the elderly and handicapped increased within the past years.

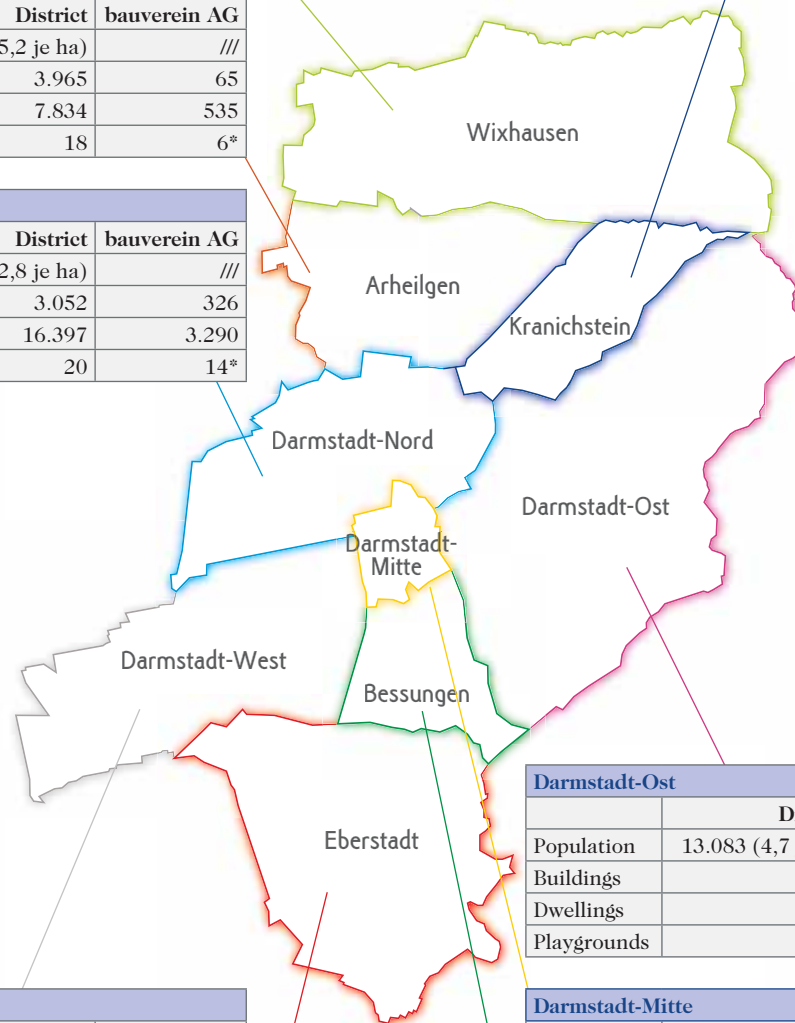
Structure of the quarters of bauverein AG in Darmstadt

Wixhausen		
	District	bauverein AG
Population	5.775 (2,5 je ha)	///
Buildings	1.333	4
Dwellings	2.819	58
Playgrounds	7	2*

Kranichstein		
	District	bauverein AG
Population	11.036 (16,8 je ha)	///
Buildings	1.099	72
Dwellings	4.578	679
Playgrounds	5	6*

Arheilgen		
	District	bauverein AG
Population	17.099 (15,2 je ha)	///
Buildings	3.965	65
Dwellings	7.834	535
Playgrounds	18	6*

Darmstadt-Nord		
	District	bauverein AG
Population	28.104 (22,8 je ha)	///
Buildings	3.052	326
Dwellings	16.397	3.290
Playgrounds	20	14*



Darmstadt-Ost		
	District	bauverein AG
Population	13.083 (4,7 je ha)	///
Buildings	2.043	163
Dwellings	8.117	1.347
Playgrounds	8	4*

Darmstadt-West		
	District	bauverein AG
Population	15.798 (10,4 je ha)	///
Buildings	2.824	246
Dwellings	8.493	1.657
Playgrounds	9	9*

Darmstadt-Mitte		
	District	bauverein AG
Population	17.611 (75,6 je ha)	///
Buildings	1.534	186
Dwellings	11.094	1.355
Playgrounds	7	5*

Eberstadt		
	District	bauverein AG
Population	21.979 (12,1 je ha)	///
Buildings	4.444	159
Dwellings	10.973	1.924
Playgrounds	21	12*

Bessungen		
	District	bauverein AG
Population	12.791 (23,1 je ha)	///
Buildings	2.222	44
Dwellings	7.643	403
Playgrounds	8	1*

* The city's Playgrounds are public. The playgrounds of bauverein AG are part of the property!

bauverein AG began early with its engagement to elderly suited living space. Therefore, for example, the company portfolio contains five condominiums for the elderly with a total of 407 dwellings. How strong the demand is, can be seen by the fact that dwellings due to become vacant will be rented again immediately. Furthermore bauverein AG has converted a large number of dwellings into dwellings suited for the elderly within the last years. In 2011 approximately 36 dwellings in “Kirchtanne 6”, Darmstadt-Eberstadt were converted (see page 10). The importance of that kind of

living space is shown by the admission of “Elderly living” into the investment program of bauverein AG. The goal hereby is to convert 20% of the housing stock until 2030.

On top of that, since 2009 bauverein AG is offering services for the elderly in cooperation with its affiliated company SOPHIA Hessen GmbH. The goal of this service, which is linked to an in-house emergency system, is to give older people the chance to remain in their own homes for as long as possible.



■ bauverein AG began early to adapt its living space offer according to the demographic development. In 2011 36 dwelling suitable for the elderly were build in “In der Kirchtanne 6” in Eberstadt-Süd. Besides that, the company owns five condominiums for the elderly (bottom left: Wechslerstraße, bottom right: Schwarzer Weg).



■ **Colorful kingdom for children:** The association “Quatschmacher” feels right at home in the buildings of bvd Gewerbe.



■ **Architectural eye-catcher:** the day care center “Schatzkiste” in Edelsteinviertel.



■ **Willingly used:** The racket-phone which was implemented by bauverein AG in November 2011

Increasing the offer of kindergartens and day care

bauverein AG is not only engaging in the area of elderly housing, but also when it comes to our youth. By the order of the city of Darmstadt, bauverein AG repeatedly establishes kindergartens and day care centers and therefore contributes to the improvement of the day care situation. In the summer of 2011 the day care center in Stressemannstraße in Darmstadt-Eberstadt opened and was the fourth day care center build by bauverein AG. Furthermore the affiliated company bvd Gewerbe GmbH is providing space for a total of 17 day care centers.

In order to support the city of Darmstadt with the legally required development of further day care places which is being accelerated by the red-green-government, bvd Gewerbe GmbH is converting former office space to create room for further day-care possibilities. That way, alone in the Bürgerparkviertel, the offer was increased by five day care centers, including the association “Quatschmacher e. V.” which opened its doors 01.01.2012.

Avoiding conflicts: the racket-phone

Where people are living together, conflicts will happen. Noise is one of the most common reasons for conflicts, and disturbances are responsible for a high percentage of tenants complains. In order to offer tenants a contact point outside of the office hours, bauverein AG decided in the late summer of 2011 to cooperate with the Neue Wohnraumhilfe GmbH Darmstadt and implemented the racket-phone. This institution, which happens to be most successful in other housing companies, is supposed to contribute to the avoidance of tenant conflicts and to sensitize to the disturbance issue. To do that, skilled racket-phone employees are standing by and can be reached from 8.00 pm to 12.00 am through a central telephone number. They take complains and if necessary get an own idea of the situation on site.

In case of a disturbance, the racket-consultants intervene and try to influence the noisemakers in a positive way. All racket-consultants were skilled and prepared for their assignments with special schoolings about conflict avoidance. Their arrival usually is deescalating. Since the project is in its pilot phase, the offer of the racket-phone is limited to downtown Darmstadt and the district Eberstadt-Süd. At the end of 2012, when the pilot phase is done, an expansion of the racket-phone will be considered.

Key Figures			
Stock			
Amount	2011	2010	2009
Total amount	17.425	17.558	17.555
Thereof free financed	10.049	10.100	10.004
Thereof publicly financed	7.376	7.458	7.551

bauverein AGs goal is to improve the stock in its quality while the amount of dwellings remains unchanged.

Rental rates according to the type of dwelling units						
	2011	%	2010	%	2009	%
Free financed						
Rent up to 2,00 €/m ²	5.953 m ²	1,0%	7.431 m ²	1,2%	6.927 m ²	1,1%
Rent between 2,01 €/m ² and 4,00 €/m ²	28.749 m ²	4,6%	27.755 m ²	4,4%	39.734 m ²	6,4%
Rent between 4,01 €/m ² and 6,00 €/m ²	279.535 m ²	44,5%	302.936 m ²	47,8%	340.873 m ²	54,7%
Rent between 6,01 €/m ² and 8,00 €/m ²	260.133 m ²	41,4%	246.182 m ²	38,9%	198.733 m ²	31,9%
Rent between 8,01 €/m ² and 10,00 €/m ²	50.013 m ²	8,0%	43.285 m ²	6,8%	35.343 m ²	5,7%
Rent from 10,01 €/m ² up	5.596 m ²	0,9%	5.717 m ²	0,9%	1.577 m ²	0,2%
TOTAL	629.982 m ²	100%	633.308 m ²	100%	623.189 m ²	100%
Publicly financed						
Rent up to 2,00 €/m ²	0 m ²	0%	51 m ²	0,1%	0 m ²	0,0%
Rent between 2,01 €/m ² and 4,00 €/m ²	22.635 m ²	4,6%	35.128 m ²	7,0%	44.623 m ²	8,8%
Rent between 4,01 €/m ² and 6,00 €/m ²	424.922 m ²	86,5%	422.165 m ²	85,0%	431.201 m ²	85,4%
Rent between 6,01 €/m ² and 8,00 €/m ²	36.977 m ²	7,5%	31.831 m ²	6,4%	21.731 m ²	4,3%
Rent between 8,01 €/m ² and 10,00 €/m ²	6.862 m ²	1,4%	7.546 m ²	1,5%	7.559 m ²	1,5%
TOTAL	491.398 m ²	100%	496.722 m ²	100%	505.115 m ²	100%

Even in the free financed area of construction, more than 50% of the rental space, regarding the price, is on the same level as the publicly financed area.

Proportion of dwellings suited to the specific needs of disabled and elderly tenants in the existing housing stock			
Proportion	2011	2010	2009
	5,94%	5,90%	5,89%

In order to be prepared for the demographic change, bauverein AG is working continuously on expanding its stock of dwellings suitable for the elderly or handicapped. It is to be increased to 20% until 2030.

Housing supply based on local demand						
Average of surface per type of dwelling						
	2011	Ø 2011	2010	Ø 2010	2009	Ø 2009
Total stock						
One-room flat	47.905m ²	39m ²	47.324m ²	39m ²	46.906m ²	39m ²
Two-room flat	429.760m ²	55m ²	431.923m ²	55m ²	425.383m ²	55m ²
Three-room flat	465.935m ²	71m ²	472.323m ²	71m ²	481.137m ²	71m ²
Four-room flat	157.408m ²	89m ²	159.511m ²	89m ²	156.060m ²	91m ²
Five-room flat	14.212m ²	108m ²	14.401m ²	109m ²	14.068m ²	109m ²
Single-family house	6.157m ²	114m ²	4.546m ²	108m ²	4.748m ²	107m ²
TOTAL	1.121.380m²	64m²	1.130.031m²	78m²	1.128.304m²	79m²
Thereof free financed						
One-room flat	29.375m ²	37m ²	29.108m ²	37m ²	28.978m ²	37m ²
Two-room flat	250.358m ²	54m ²	249.887m ²	54m ²	245.973m ²	54m ²
Three-room flat	264.234m ²	69m ²	268.127m ²	69m ²	263.391m ²	69m ²
Four-room flat	71.956m ²	92m ²	73.443m ²	92m ²	72.126m ²	92m ²
Five-room flat	7.900m ²	114m ²	8.194m ²	115m ²	7.971m ²	115m ²
Single-family house	6.157m ²	114m ²	4.546m ²	108m ²	4.748m ²	107m ²
TOTAL	629.982m²	62m²	633.308m²	79m²	623.189m²	79m²
Thereof publicly financed						
One-room flat	18.530m ²	42m ²	18.215m ²	42m ²	17.928m ²	42m ²
Two-room flat	179.402m ²	56m ²	182.036m ²	56m ²	179.410m ²	56m ²
Three-room flat	201.701m ²	74m ²	204.195m ²	74m ²	217.745m ²	74m ²
Four-room flat	85.452m ²	87m ²	86.068m ²	87m ²	83.934m ²	89m ²
Five-room flat	6.312m ²	101m ²	6.206m ²	101m ²	6.097m ²	101m ²
TOTAL	491.398m²	66m²	496.722m²	72m²	505.115m²	73m²

In order to rent out according to the demands of the tenants, bauverein AG offers a balanced mix of dwellings.

Types of dwellings produced each year				
	2011	2010	2009	
Purchase	3	3	30	
New construction	46	64	65	

Within the last years, bauverein AG continuously constructed new dwellings.

Growth of the rental offer of the company				
	2011	2010	2009	
Total amount of dwellings	17.425	17.558	17.555	
Gain of dwellings in %	-0,75%	0,02%	0,21%	
Space	1.121.380m ²	1.130.031m ²	1.128.304m ²	
Gain of space in %	-0,77%	0,15%	0,42%	

The bauverein AG strategy is to improve the stock of dwellings in quality and not in quantity.

Real estate sales				
	2011	2010	2009	
Sales				
Amount of dwellings	127	89	84	
% of dwellings in relation to the total amount	0,73%	0,51%	0,48%	
Space	7.050m ²	5.753m ²	5.023m ²	
% of space in relation to the total amount	0,63%	0,51%	0,45%	

In order to optimize the stock and make the purchase of property possible for the tenants, bauverein AG decided to put certain contingents on sale. Furthermore bauverein AG creates highly necessary living space through construction measures.

Rent and running costs				
Progression of running costs per dwelling				
SOC2.2	Annual increase of additional charges	2011	2010	2009
	Increase of stock	5,38%	5,28%	4,13%
	Increase of stock	0,15 €/m ²	0,16 €/m ²	0,09 €/m ²

The figures do not reflect the general increase of costs, especially regarding heat, electricity and waste disposal. bauverein AG is working on constant optimization of the additional costs, but there usually is a direct relation from tenant to the supplier and these figures cannot be shown in the chart.

Rent increase development				
SOC2.3	Rent increase	2011	2010	2009
	Total stock privately financed		1,02%	1,84%

The low quota of rental increase which still lies below the inflation rate shows bauverein AGs responsible handling of its' tenants. There is a constant consideration of the potential increase of rent on one hand and the financial burden of the tenants on the other.

Running costs/rent				
SOC2.4	Running costs/rent	2011	2010	2009
	Running costs/rent of total stock	36,34%	36,02%	31,34%
	Total stock	971.334 m ²	1.014.071 m ²	1.128.304 m ²
	Running costs/rent of the free financed stock	32,80%	34,03%	26,21%
	Total free financed stock	511.275 m ²	534.865 m ²	623.189 m ²
	Running costs/rent of publicly financed stock	40,05%	41,43%	37,14%
	Total publicly financed stock	460.059 m ²	479.207 m ²	505.115 m ²

The indicator reflects the increasing significance of the additional costs in view of the total rent.

Social Mix				
Part of internal mobility in the allocation of dwellings				
SOC3.1	Tenant moves	2011	2010	2009
	Total amount of internal moves	198	214	234
	Total amount of moves	1.605	1.733	1.913
	Proportion of internal moves to total moves	12,33%	12,34%	12,23%
	Amount of internal moves (social housing)	79	74	86
	Total amount of moves (social housing)	706	640	790
	Proportion of internal moves to total moves (social housing)	11,19%	11,56%	10,89%
	Amount of internal moves (free financed)	119	140	148
	Total amount of moves (free financed)	899	1.093	1.123
	Proportion of internal moves to total moves (free financed)	13,24%	12,81%	13,17%
	Total turnover	9,90%	10,40%	10,90%
	Thereof internal	1,22%	1,22%	1,33%

The high amount of internal tenancy changeovers shows, that tenants are very satisfied with the offerings of dwellings and the service of bauverein AG.

Tenant eviction prevention				
SOC3.4	Amount	2011	2010	2009
	Action for evictions	314	260	417
	Evictions	115	116	145
	Difference	199	144	272

Even though the number of actions for evictions increased, the amount of actual evictions decreased due to an intensive attendance of the problem cases.

Social Cohesion initiatives	
Description of social cohesion initiatives and evaluation of results	
Measures	Results 2011
Revision of playgrounds over the last four years	Improvement due to regular controlling by the playground appointee
Participation on the Project "Social City"	Two play areas in Darmstadt-Eberstadt, planning of the Kirnberger Platz in Eberstadt (Supervision by video as well as integrated police office)
Creation of a launderette (BAFF-Project) to promote activity and create a meeting place.	Engagement of unemployed women
Assistance of the district newspapers in Kranichstein and Eberstadt (social hotspots)	Improvement of the tenant satisfaction
Assistance of district parties in Kranichstein and Eberstadt	Client loyalty
Construction and renting out of three kindergardens to improve the offerings	Upgrading of the district
Offer of a dementia flat share by supplying the infrastructure and reduced rent	In order to take the challenge of the demographic development, bauverein AG wants to provide new alternatives for the continuously increasing proportion of older tenants. Besides constructing dwellings that are suitable for the elderly and barrier free, a further goal is to give older tenants the chance to remain in their familiar environment for as long as possible. Therefore we have been offering the service of SOPHIA since April 1st, 2009. With this service, which amplitude can be extended to ones own necessity, the SOPHIA participant keeps his independence in his own dwelling in order to avoid moving to a nursing home as long as possible.
Offer of care for the elderly in Scharzer Weg, senior citizens meeting point Eberstadt	Tenant satisfaction, customer loyalty
SOPHIA Hessen GmbH	See above
Alteration of rooms to a community meeting point	Increase of tenant satisfaction, customer loyalty
Annual litter collecting in social hotspots	80 – 100 participants
Rooms free of charge for volunteer initiatives	Upgrading of the district
Election of the tenant council – new term of office (2010 – 2015)	The tenant council for the 12th period of office was elected. This institution for tenant participation has a long tradition in bauverein AG. For the first time, working groups for specific subjects will be created ("Living concepts", "Elderly, handicapped and persons with migrations background", "park areas, tenant yards, living environment and neighborhood facilities" as well as "Additional costs, technical and living improvement").
Measures to improve tenant satisfaction	NEW in 2011: Implementing the racket-phone Since the end of 2011 tenants of bauverein AG can report disturbances even out of the office hours. The "Neue Wohnraumhilfe" is working from 8.00 pm to 12.00 am on a daily basis and goes into action when violations of the house rules are reported by means of the racket-phone (especially noise). In situations of acute noise, a team of two people will drive on-site. Here a talk with the noise reporter will take place in order to document the violation. At the same time the team will try to influence the noise making person.

Within the social hotspots, bauverein AG has taken a number of measures in order to improve the living quality sustainably.

Social assistance to tenants				
Expenses for social assistance				
Expenses	2011	2010	2009	
External parties	177,8 K€	160,5 K€	137,4 K€	
Donations	40,3 K€	23,6 K€	22,4 K€	
TOTAL	218,1 K€	184,1 K€	159,8 K€	
Amount of dwellings	17.425	17.558	17.555	
Expenses per dwelling	12,5 €	10,5 €	9,1 €	
Expenses for external parties per dwelling	10,2 €	9,2 €	7,8 €	
Total donations per dwelling	2,3 €	1,3 €	1,3 €	

The expenses for external third parties are mostly costs for the prevention of tenant debtors as well as an individual concept for support for older tenants (SOPHIA Hessen GmbH).



Protecting the environment

2.

Energy-conscious building and renovating

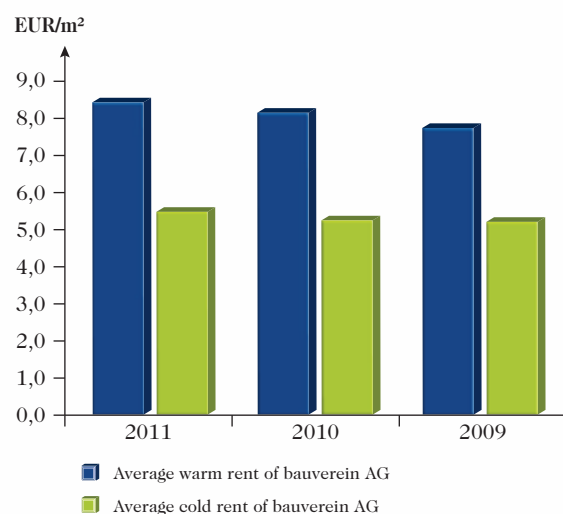
Around 80% of the required energy and over 60% of the CO₂ emission in German households are caused by heating and hot water preparation. Therefore the issue of “energy-conscious building and renovating” is one of the biggest challenges for the company. Also, by implementing stricter EnEV-directives, EnEV is the German legislative authority that regulates the saving of energy for buildings and has been obligating housing companies for years to achieve a constant CO₂ decline in construction or renovating intentions. The current “domestic heating study” came to the conclusion that in order to reach the goals of the government concerning the issue of CO₂ savings, 744 billion EUR should be invested in energetic renovating of buildings until the year 2030. This is a strenuous effort especially for the housing companies whose stock contains mostly buildings with a bad energetic balance. This is even more so, since the government has reduced the federal funding since 2010 continuously (in 2011 they amounted to 0.9 billion EUR) and the costs for energetic renovations can, except for a small fraction, no longer be allocated to the rent, although the legal authorities now allow an allocation of 11% of the modernization costs. According to a calculation of the association of the southwest German housing industry (VDW) that is the reason why in Hessen only 0.75% of all dwellings are being renovated energetically per year. This 0.75% is in opposition with the ambitious goals of the energy summit of Hessen. At the end of 2011 they set as a goal the energetic renovation of 3% of the dwellings per year.

Saving energy and CO₂, reducing heating costs

On top of the increasing demands of the legal authorities are the tenants who, becoming more and more sensitive to prices, register each new increase of heating costs. Already the heating costs which are the lion's share of the

(usage-bound) additional costs are a big financial burden for low income households. Regarding the continuously increasing prices of heating oil, alternative concepts that decrease the energy consumption and save CO₂ as well as the tenants' money are highly necessary. Environmental protection and the obligations to our tenants to offer living space for affordable conditions, go hand in hand.

Average warm and cold rent



■ The graphic clarifies the high amount of additional costs which bauverein can only partially influence. Tenants, which settle their account directly with the energy supplier, are not considered here.



■ bauverein AG is participating in the European energy savings project BECA.



■ Even in the former “Postsiedlung” clear savings off CO₂ and primary energy could be achieved through energetic renovations.

A good start to achieve energy savings is to sensitize the consumers about the handling of energy and resources. Therefore bauverein AG is participating through the European housing network EURHONET (s. p. 24) on the project BECA (Balanced European Conservation Approach). Yet not only EURHONET participants are taking part in BECA but a total of 18 companies from Bulgaria, Italy, Spain, Sweden, Czech Republic, Germany and Serbia. bauverein AG is the only German company taking part.

Changing the consumption behavior with BECA

BECA's goal is to find out how the behavior of consumers changes if they have access to their data concerning heating as well as cold and hot water consumption. Also bauverein AG is expecting that this project will make it possible to gain insight on the energy saving potential of the tenant households and a better awareness of the tenants. To gain the most representative data, three comparison groups (of the publicly financed stock) with 200 dwellings each were created. While the group “Basic Set Up” is using the usual meter reading and billing technique, the group “Medium Set Up” uses in addition to that the energy savings system Adaptherm of the billing provider Techem, which is applied in several bauverein AG dwellings. “Top Set Up” takes this even further. Here the consumers are able to see their daily consumption via internet. The consumption is shown in cubic meters (water, cold and warm) and units of consumption (heating).

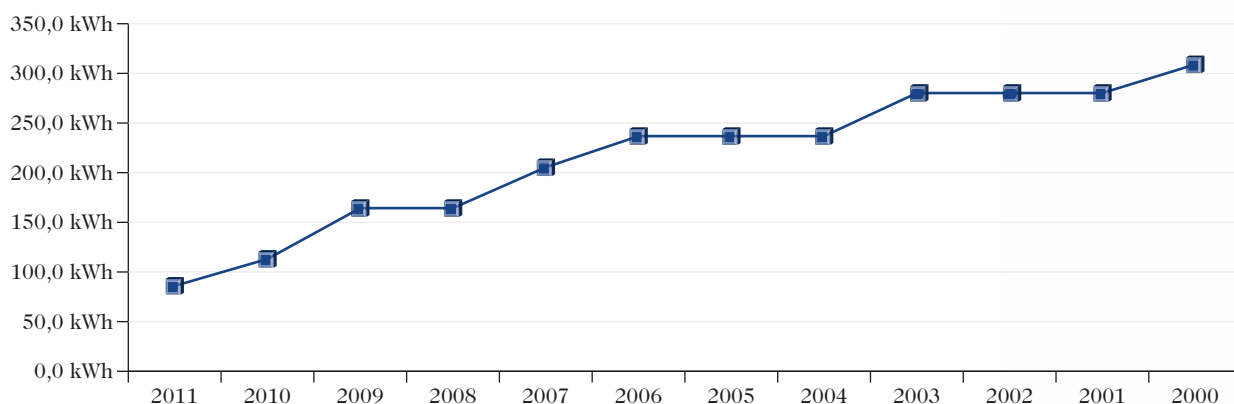
With this project, bauverein AG is cooperating with the Techem Energy Services GmbH, who is providing the necessary technology. The project started on January 1st, 2011. Until the end of 2013 the consumption behavior of approximately 5.000 tenants Europe-wide should be monitored and analyzed. Also an internet platform will be activated by Techem at the end of 2012, in which the “Top Set Up” users can have password protected access to their daily data.

European passive house project Buildtog

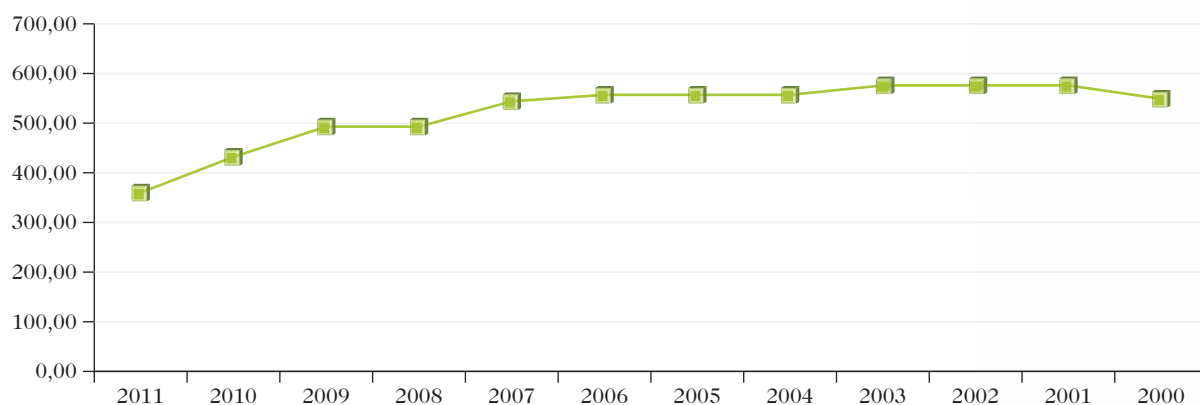
Even higher effects concerning energy savings can be reached through energetic renovations respectively the building of energy saving, low energy and passive houses. These are areas in which bauverein AG is very active. With the more generation passive house WohnArt3, the company is for the first time engaging in the area passive house. Only two years after the passive house has been handed over to the tenants, the building of another passive house will begin in the line of the Project “Buildtog” in 2012. Here, the knowledge gained through WohnArt3 will be used and developed further. Through that bauverein AG will be prepared for 2021 when all the new buildings are supposed to have passive house standards or some kind of energetic quality which is equivalent to that.

Buildtog, which stands for “building together” is also a European project (s. p. 18). With the aid of this project it is supposed to be determined how climate and country

Development of the primary energy requirement (kWh/m²/a)



Development of the CO₂ emission (in t)



- Because of the modernization of the quarter in Holzhofallee/Schepp Allee the emission of CO₂ and the requirement of primary energy was decreased, even though the area was almost doubled due to the modernization.

specific factors influence the construction respectively the passive house standard. The participants are expecting more knowledge on which adaptations concerning the climate are necessary in order to obtain the passive house standard. Furthermore they are hoping for detailed information about the different costs due to the different building techniques of each country. Even when building “in a normal way” bauverein AG is attempting to undercut the national energy saving regulations.

Fraction of energetic renovations is increasing continuously

When speaking of an increasing fraction of annual renovations, energetic renovations are meant. In other words, the energy balance of the building will be highly improved. This is not only a benefit for the environment (decreasing CO₂ emission) but also for the tenant (lower

heating costs). Which dimensions the savings can have for tenants, can be seen by the extrapolation of the major modernization of the quarter Holzhofallee/Schepp Allee. If the gas prices would keep rising like they did in the past, tenants in those modernized dwellings would pay less than a third of the costs (0,94 EUR/m²/month) that would incur in a non modernized dwelling of that quarter (3,39 EUR/m²/month). Even today tenants of a modernized dwelling pay much less (0,47 EUR/m²/month) than residents of a non modernized dwelling (1,69 EUR/m²/month). At the same time the CO₂ emission was reduced from 549 t/year to 360 t/year, even though the living space has become twice as high. A similar concept is being pursued by bauverein AG with the transformation of the former “Postsiedlung” to the “Oppenheimer Park”. In the finished parts of this quarter, distinct savings of energy and CO₂ have already been achieved. The final result will be similar to Holzhofallee/Schepp Allee.



Cooperation with the German federation for the environment and nature conservancy

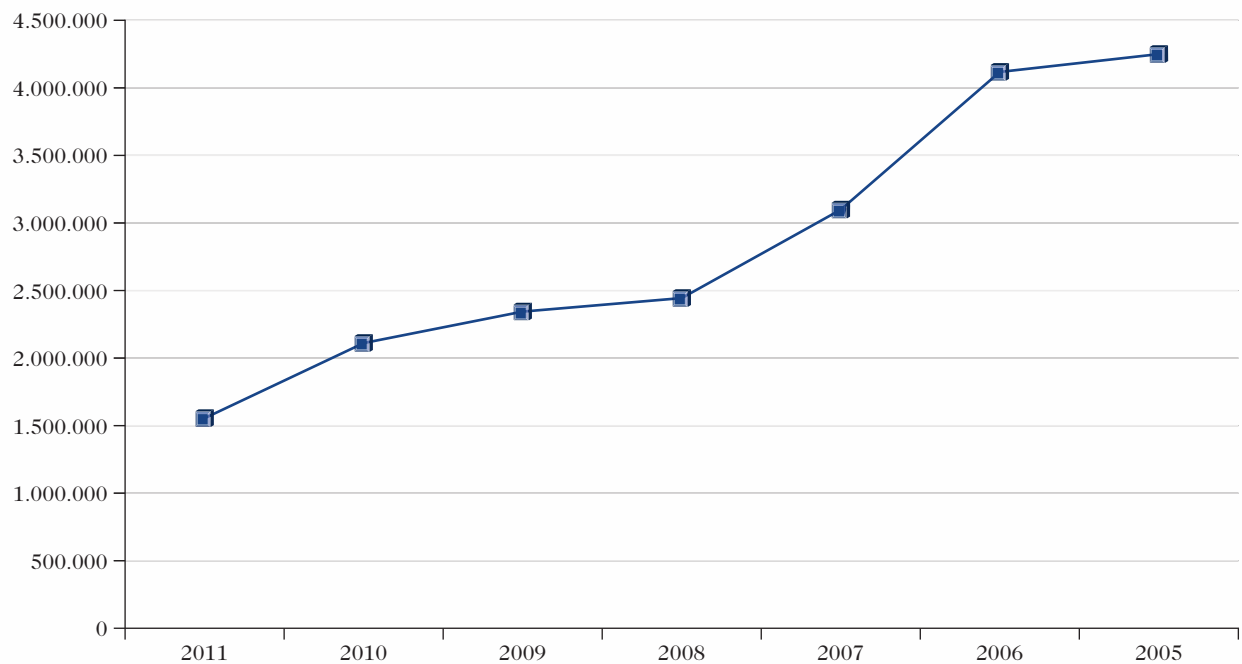
In 2011 began the cooperation with the German federation for the environment and nature conservancy which is all about environmental protection and the preservation of nature. Since the second half of 2011, a meeting with the federations' representatives of Darmstadt takes place every three months. Here corporate projects are defined. A first result was the bringing up of 100 nesting boxes in the beginning of 2012. They were sponsored by bauverein AG. Further corporate projects of the federation and bauverein AG, like the forestation of a pine forest, will follow in the course of the year.



bauverein AG supports green electricity

Within the company bauverein is also going with the issue of sustainability. Already in 2009 it switched a great part of its property to green electricity in the line of its sustainability concept. Besides the company head quarters, all the publicly accessible areas within the approximately 2.300 properties are being delivered with green electricity. Since the middle of 2011 the five park garages of the bauverein AG portfolio are also being illuminated with green electricity. bauverein AG is not producing electricity, yet it is providing many roofs in Darmstadt for the citizens' solar energy plant. Alone in 2011 the number increased to 17 roofs.

Reduction of the CO₂ emission (in kg/a)



■ In the period from 2005 to 2011 the CO₂ emissions could be decreased immensely due to 49 energetic renovations.

Environmental policy				
ENV1.2	Proportion of new and renovated dwellings higher than required by national legislation on environmental standards			
		2011	2010	2009
	Proportion of total stock	0,97%	0,44%	0,25%

Fight against climate change							
ENV2.1	Energy performance and greenhouse gas emissions						
		2011		2010		2009	
		Total stock	New buildings	Total stock	New buildings	Total stock	New buildings
	Energy consumption classes:						
	A: between 0 and 50 kWh/m ² /year	4%	10%	4%	10%	3%	13%
	B: between 51 and 90 kWh/m ² /year	2%	40%	2%	40%	1%	27%
	C: between 91 and 150 kWh/m ² /year	10%	50%	10%	50%	10%	60%
	D: between 151 and 230 kWh/m ² /year	25%	0%	24%	0%	25%	0%
	E: between 231 and 330 kWh/m ² /year	44%	0%	44%	0%	45%	0%
	F: between 331 and 450 kWh/m ² /year	12%	0%	13%	0%	13%	0%
	G: between 451 kWh/m ² /year and more	3%	0%	3%	0%	3%	0%
	Average consumption:	224 kWh/m ² /year (178/52 kWh/m ² /year)*		232 kWh/m ² /year		237 kWh/m ² /year	
	Median consumption:	233 kWh/m ² /year (186/58 kWh/m ² /year)*		234 kWh/m ² /year		240 kWh/m ² /year	
	CO₂ emissions:						
	Between 0 and 5 kg CO ₂ /m ² /year	0%	10%	0%	10%	0%	0%
	Between 6 and 10 kg CO ₂ /m ² /year	0%	10%	0%	10%	0%	12%
	Between 11 and 20 kg CO ₂ /m ² /year	3%	40%	3%	40%	3%	40%
	Between 21 and 35 kg CO ₂ /m ² /year	12%	40%	12%	40%	12%	48%
	Between 36 and 55 kg CO ₂ /m ² /year	32%	0%	31%	0%	30%	0%
	Between 56 and 80 kg CO ₂ /m ² /year	43%	0%	44%	0%	45%	0%
	Between 81 kg CO ₂ /m ² /year and more	10%	0%	10%	0%	10%	0%
	Average emission:	54 kg CO ₂ /m ² /year (40/13 kg CO ₂ /m ² /year)		55 kg CO ₂ /m ² /year		56 kg CO ₂ /m ² /year	
	Renovated stock						
	Energetically renovated:						
	Between 0 and 5 kg CO ₂ /m ² /year	1%					
	Between 6 and 10 kg CO ₂ /m ² /year	2%					
	Between 11 and 20 kg CO ₂ /m ² /year	41%					
	Between 21 and 35 kg CO ₂ /m ² /year	39%					
	Between 36 and 55 kg CO ₂ /m ² /year	17%					
	Between 56 and 80 kg CO ₂ /m ² /year	0%					
Between 81 kg CO ₂ /m ² /year and more	0%						
Average emission:	26 kg CO ₂ /m ² /year						

* results without warm water

Through extensive energetic renovations bauverein AG was able to save a total of 13.098t of CO₂ in the years from 2004 to 2011. This ambitious program will be continued.

Integration of renewable energy sources				
ENV2.2a	Share of green electricity	2011	2010	2009
		100%	100%	100%

All of the public areas of the bauverein AG properties are supplied with green electricity.

CO ₂ emission from company vehicles				
ENV2.3		2011	2010	2009
	CO ₂ emission	86,2t	88,8t	70,7 t
	km traveled	568.023	546.900	424.000
	CO ₂ emission in t/10.000km	1,5t	1,6t	1,7 t

Due to a CO₂ emission regulation regarding the purchase of new vehicles, the emission could be reduced. In addition to that, two pedelecs were purchased for the employees.

3.



Promoting long term economic sustainability

Sustainable management of stakeholder relations

Municipal housing companies are a part of the local economy and therefore service provider for the citizens of many classes of population. With that, bauverein AG is challenged with different stakeholder expectations that are contradictory and not always compatible. Stakeholders are for instance the citizens, tenants, and the city as a shareholder as well as the supervisory board of the company, politicians, non-profit organizations, service providers, the media or even local associations and organizations. On one hand it is expected of the company to

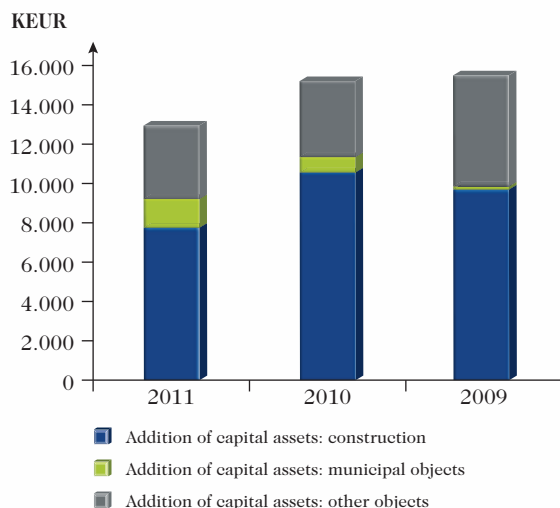
generate good returns, yet on the other hand there are the demands for the taking of social responsibility respectively the offer of affordable living space and the establishment of new publicly financed dwellings. All of this is in contradiction to the expectation that municipal housing companies have to have a high quality of their stock and a high amount of energetically renovated dwellings in their portfolio.

In order to find out which expectations the different stakeholders of bauverein AG have towards the cities subsidiary, the company decided in 2011 to carry out an enquiry of the stakeholders in cooperation with the Technical University Darmstadt. The enquiry served as a way to define the expectations and point out any conflicts of goals. The enquiry started at the end of 2010 and was carried out until the end of March 2011. 32 stakeholder representatives were interviewed. The results of these interviews were systematically analyzed and led to a scientific publication in January 2012.

Effective stakeholder management

The results were used to optimize the company target system and adjust it even more to the expectations of the most important stakeholders. This has many benefits for bauverein AG as well as the stakeholders. Stakeholders can be more integrated, potential conflicts can be decreased or prevented through a proactive stakeholder management and defined goals can be monitored better. Furthermore the target system, which resulted out of the enquiry, makes it possible to inform stakeholders better and more specifically. Since the companies as well as the political environment and the companies' environment underlie constant and dynamic changes, it is very important to update the

Investments in construction of dwellings, industry and municipal projects



goals, conflicts, solutions and measures that resulted out of the stakeholder enquiry on a regular basis.

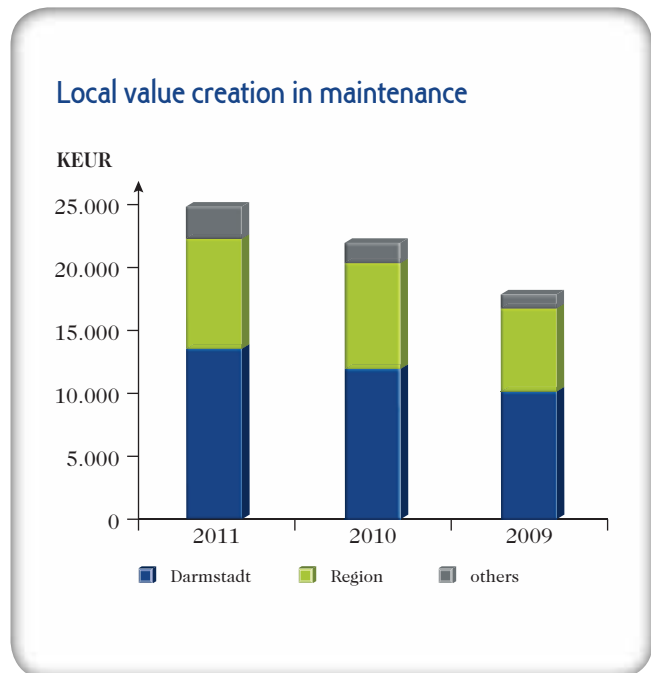
First measures

Even before the final report of the results was presented, bauverein AG began to start with the first measures. Communication plans for each stakeholder group were worked out. A good example is that the members of the supervisory board of bauverein AG, the city parliament and the municipal authorities of Darmstadt receive the current press releases at the same time as the press. Furthermore the members of the supervisory board receive necessary background information concerning critical press releases due to new construction in form of an informational letter.

Promoting dialogue: the bauverein forum

In 2011 a bauverein forum was implemented in order to maintain the dialogue with the representatives of the local politics and economy and to inform them even better. In the line of this event which will take place annually in the future, successful and future projects will be presented and discussed.

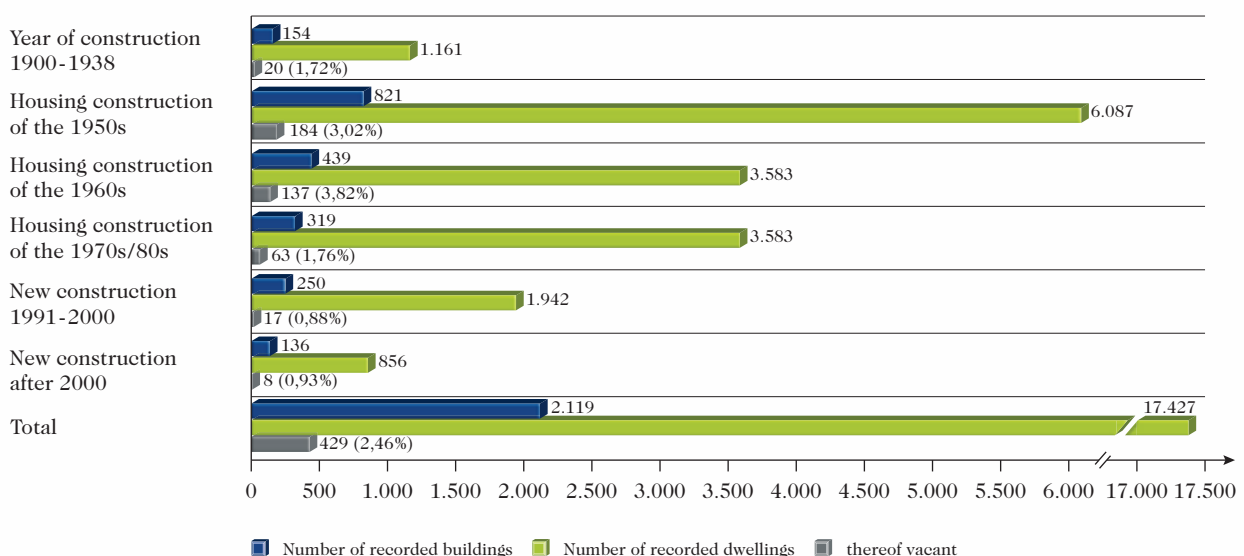
A similar purpose had the event "Architectural summer Süd Hessen" which was a tour of Holzhofallee/Schepp Allee in August 2011. Here the public was invited to see the successful transformation of the quarter on-site. In 2012 further events of that kind are planned.



■ A big part of bauverein AGs expenses regarding maintenance goes to the construction and craftsmen companies of the region.

Another result of the stakeholder enquiry is the cooperation with the German federation for the environment and nature protection, which started in the fall of 2011 and quickly bore fruit.

Value preservation and value increase



■ A very big part of the dwellings of bauverein AG was built in the 1950s. Further emphasis lies on the buildings of the 1960s and 1970s.

bauverein AG can lead the way

Why does it make sense to aim the company policies not only towards the shareholders but to involve the stakeholders of a company as well?

The target system of a municipal company is unlike that of a capital lead company very pluralistic. That means that the purpose of the company is not only the realization of profit alone, but also lies in attending to many different tasks which can be allocated in many different fields of politic. The overview concerning the goals of a municipal company and the order in which they have to be achieved can be lost quickly in the day to day business of politics and administration. In this situation, the stakeholder enquiry offers orientation for both sides the holders and the company management, on which basis the goals of both parties can be sustainably defined.

Is it even possible to achieve bearing results with such pluralistic and partially contradicting statements?

With the aid of the enquiry, the major goal conflicts can be seen and qualitatively evaluated. Thereby, a much differentiated picture of the services the different groups are demanding is created. After the first look at the analyzed results however, often the different goals are not as contradictory as one might think. Yet, the major goal conflicts, for instance between energetic renovations and realization of profit, cannot be rationalized away. Here the capacity of the target agreement depends on the results of the negotiations between the housing company and the holders and on the conversion through the actors.

Which wishes and demands were stated the most?

We were quite surprised how obvious it became, that the offering of affordable living space in Darmstadt is of overriding importance for the stakeholders at the time. If you look at the tense budget situation of the city of Darmstadt as well, a very clear picture of what is being demanded from bauverein AG within the next years is created. Seeing that, the above named contradictions of the bauverein AG stakeholder demands step slightly in the background.

To what extend are the results of the enquiry converted?

Stakeholder management in housing companies is about the implementation of a sustainable and balanced company policy instead of a hectic back and forth depending on the daily situations. Therefore it is too early to evaluate the success of the conversions so far. Yet the fact that bauverein AG is taking its strategic responsibility so seriously and proactively makes the company situation very clear to its stakeholders, is a very big success to me.



What are the next steps? Will there be an enquiry on a regular basis?

The regular recurrence of enquiries is surely necessary. We have already noticed that the situation of the bauverein AG surroundings has clearly changed since the last enquiry. Furthermore I am hoping that the stakeholder enquiries end up in an obliging process between the holders and the company, were target agreements are made and a way of reporting will be developed. The awareness of social responsibility for municipal housing companies in Germany is part of the object of a company and not done voluntarily, even though the term corporate social responsibility may suggest it. Respectively municipal housing companies have to be lead by the holders by means of pluralistic goals. The offer of publicly financed living space has a high meaning for the city. Therefore chances are high that Darmstadt will lead the way here.

Prof. Dr. Andreas Pfnür holds the chair of real estate industry and construction economics at the TU Darmstadt. He was responsible for an empiric study of stakeholder management done in 2011 and ordered by bauverein AG. The title of this study is "Sustainable Management of stakeholder relations of municipal housing companies".

Key figures				
Annual turnover				
	Turnover	2011	2010	2009
			119.668 K€	109.622 K€

Average age of the housing stock				
	Age	2011	2010	2009
			45,58 years	45,60 years

The stock of bauverein AG is distinct due to many buildings constructed in the post-war period.

Stock management					
Proportion of renovated old housing stock each year					
ECO1.1		2011	2010	2009	
		Amount of dwellings	311	270	186
		Share of stock	1,77%	1,37%	1,32%

Illustrated are only those dwellings that are older than 25 years and where the expenses lie above 10 KEUR. The actual number of modernized dwellings is much higher.

Average of major maintenance expenditure per dwelling over a 5-year period				
ECO1.2	Investment per dwelling	2007 - 2011	2006 - 2010	2005 - 2009
			823,14 €	1.311,12 €

The illustrated figures include only the investments for major modernizations. For instance the expenses for running maintenance or the modernizations of dwellings are not considered. This means the actual figure bauverein AG is providing for modernized dwellings is much higher.

Vacancy rates per type of vacancy related to the number of dwellings					
ECO1.3	Vacancies at December 31st.	2011	2010	2009	
		Technical	1,15%	0,94%	0,81%
		Less than three months	0,75%	0,79%	0,86%
		More than three months	0,96%	2,24%	1,85%
		TOTAL	2,86%	3,97%	3,52%

The internal efforts to improve the process of renting are reflected in the decreasing vacancy rates.

Local economic system							
Income from activities redistributed to stakeholders							
		2011		2010		2009	
		K€	% of turnover	K€	% of turnover	K€	% of turnover
ECO2.1	Salaries	10.734 K€	8,97%	10.054 K€	9,17%	10.435 K€	9,33%
	External suppliers and service providers	100.345 K€	83,85%	84.934 K€	77,48%	85.755 K€	76,74%
	Taxes	1.968 K€	1,64%	2.414 K€	2,20%	2.496 K€	2,22%
	Interest rates and costs of money transactions	10.311 K€	8,62%	10.554 K€	9,63%	10.097 K€	9,03%
	Dividends	0 K€	0,00%	0 K€	0,00%	3.749 K€	3,35%
	TOTAL	123.359 K€	103,08%	107.958 K€	98,48%	112.535 K€	100,67%

With a backflow of nearly 100% bauverein AG is providing a great contribution to the value creation of the region.

Annual investment in new stock proportional to the turnover					
ECO2.2		2011	2010	2009	
		New buildings	10,0%	11,0%	9,5%
		Purchases	0,8%	2,8%	4,4%
	TOTAL	10,8%	13,9%	13,9%	

With new buildings, bauverein AG is using a high amount of its financial means for the improvement of the quality of its stock.

4.



Good corporate governance

Affordable living space for everyone

To supply broad classes of population with living space has been the most important task of bauverein AG since its foundation in 1864. As the biggest lessor in south Hessen, the company is not only an administrator of municipal dwelling stocks, but also an innovative service provider oriented on its clients and services. Since the tenant satisfaction is only partially dependent on the dwelling and more and more influenced by factors like service and the communication between landlord and tenant, bauverein AG has been working on improving these factors for many years. The results are being checked by independent authorities on a regular basis.

Clearly improved availability

An important milestone was the improvement of the availability from 46% in 2009 to an average of 71% in 2011. This improvement was achieved by the enlargement of the service center, there are 8 employees working there at the time, and by the extension of the office hours of the rental management department which decreased the number of incoming calls in 2011. In 2010 a total of 271.799 calls reached the service center of bauverein AG, while in 2012 it was only a total of 254.190 calls (-17.609). Connected to this decrease was a clear improvement of the availability. The repair-shop also adjusted its opening hours to the clients' needs and since the relocation in the fall of 2011 offers office hours on Wednesdays until 6 pm.

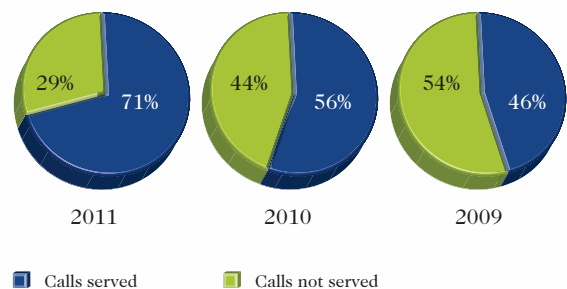
Educating tenants and improving the image

Already in the early summer of 2011, bauverein began with an educational campaign. The campaign contained a total of 6 motives which were printed over a couple of weeks in local papers as well as on city lights. Its goal was

to inform the public about bauverein AGs work, get rid of preconceptions and correct the company image. It was for instance communicated how much CO₂ was saved due to energetic renovations, how much publicly financed living space bauverein AG offers or how much the company invests annually in maintenance. In the late fall, the second part of the campaign followed with an advertisement offensive. The company presented itself with large scale pictures in matters of the issue of living and the slogan: "I feel good here because...". Among others, tenants of bauverein AG were willing to be models for the series of pictures which will be continued in 2012.

Availability of bauverein AG

Amount of calls



(Additionally further calls occurred outside of the office hours.)

- Excellent quotas of availability, which are evaluated on a monthly basis, are the result of years of optimizing efforts.

Improvement of the informational flow

In order to improve the informing of tenants, potential tenants and the public, bauverein AG overworked its internet presence in the line of the image campaign of 2011. Hereby the goal was to offer information for tenants and potential tenants faster and more goal-oriented. The new web presence was activated at the end of 2011. In the line of the remake, a tab system was implemented which allows a different access for each target groups. In the long-term it is planned to convert the area "Tenant" into a password protected tenant portal with which the tenants can for instance have access to their consumption data (heat, warm water etc.).

KIS guide line: winning information due to better documentation

A good documentation of complaints and tenant notifications is the foundation for good and functioning communication. Until the middle of 2011 there was no system for recording tenant notifications within the Kirchhof-informational-system (KIS) used by bauverein AG. Also, the system was not used by the entire company which means that not all the notifications were in the system. This has lead to a high loss of information for the management. For instance it was not possible to determine quantitative numbers regarding complaints or technical defects. The KIS guide line, which was worked out in 2011, had the goal to structure and standardize the notifications that were in the system in a better way. The results are not only a benefit for bauverein AG but also for the tenants because thanks to a better documentation, procedures like measures that have already begun can be more easily followed.

The quarterly surveys of the complaint leaders, done by the complaint management in 2011 also contributed to receiving more and better information. In the line of the surveys it was determined which complaints were stated the most often and what was criticized the most often.

Tenant surveys and mystery shopping

The best indicator to test the success of implemented measures is client surveys. Therefore bauverein AG is letting independent institutions test its services on a regular basis. In 2011 the company participated in a survey done by TU Darmstadt regarding new tenants and their satisfaction with the housing company. The result was joyful. The companies' efforts regarding an improvement of the services are being recognized by the tenants and judged positively. In the line of the survey from January and February 2011, done in corporation with TU Darmstadt, 70% of the tenants stated that bauverein AGs employees are very friendly and praised their competence. Furthermore, 84% of the tenants would recommend bauverein AG to friends and family.

11.100 Tonnen

CO₂ gespart von 2004 bis 2010*

4.370.000 Liter

Heizöl gespart zugunsten unserer Mieter*

* hierbei handelt es sich um berechnete Werte

WIR MACHEN WOHNEN NACHHALTIG.

In den Jahren 2004 bis 2010 hat die bauverein AG durch 43 Gebäudesanierungen deren Energieverbrauch um durchschnittlich 66% vermindern können. Von der damit verbundenen Verringerung der CO₂-Emissionen um 11.100 Tonnen profitiert nicht nur die Umwelt, sondern auch die gesamte Mieterschaft, schließlich wurden so die Kosten für umgerechnet mehr als 4,3 Mio. Liter Heizöl eingespart. Und darauf sind wir stolz! Auch künftig werden mit Hilfe von Sanierungen Jahr für Jahr umgerechnet 1,25 Mio. Liter Heizöl eingespart. Modernes Wohnen ist energiebewusstes Wohnen. Und das machen wir. Weitere Informationen erhalten Sie unter www.bauvereinag.de/nachhaltig.

www.bauvereinag.de

bauverein AG
darmstadt

ICH FÜHL' MICH WOHL HIER, WEIL ICH ES GERNE GRÜN MAG.



Die bauverein AG ist sich ihrer Verantwortung für Mensch und Umwelt schon seit langem bewusst. Mit energetischen Sanierungen und energiesparenden Neubauten leisten wir seit vielen Jahren einen wichtigen Beitrag zum Umweltschutz. Nachhaltigkeit, mit der wir die Zukunft unserer Kinder sichern. Willkommen zuhause!

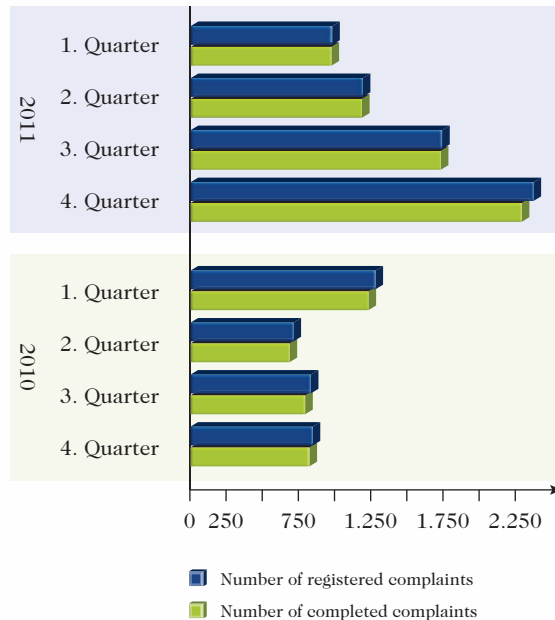
www.bauvereinag.de

bauverein AG
darmstadt

- Raised attention: Two motives out of the educational (top) or image campaign (bottom) 2011/2012.

Complaint management

Number of registered complaints



- The increased number of registered complaints is not because of a higher rate of dissatisfied tenants but because of better reporting possibilities since June 2011.

High service quality

Another instrument to test the offered services of bauverein AG is mystery shopping, which was done in March and May 2011 (as before in 2007) in corporation with BBT (a consultancy specialized on real estate issues). Evaluated were the rental quality, the capability to interact and the customer orientation. bauverein received the rating “good” because of the variety of possibilities to be contacted as well as for the good availability in person and by phone. The “successful presentation of the offerings” as well as the “pleasant, factual and committed talking atmosphere” was praised also. Good grades were also given for the factual competence of the employees.

The comparison between the results of 2007 and 2011 showed a clear improvement of the rental quality espe-



- The complaint management which was implemented in 2010 takes care of tenant complains and partially coordinates tenant surveys.

cially regarding the availability as well as the reaction time and an improved advisory service.

Numerous further measures are planned for 2012. Besides a survey for new tenants early in the year there will be a survey for the tenants of Kirchtanne 6 in the district of Eberstadt-Süd, whose entire quarter has been majorly modernized. The survey should expose how the tenants perceived the modernization which took over a year and where they see the need for improvement. The results will be used for future major modernizations.

Furthermore a survey of the district is planned for the second quarter of 2012. Approximately 1.500 tenant households in Eberstadt-Süd will receive a questionnaire with the request to judge the services of bauverein AG.

Dialogue and satisfaction of residents				
Company carries out regular and organised dialogue with tenants				
		2011	2010	2009
GOV1.1	Number of meetings	32	22	12
	Issues	Tenant council, tenant council project groups, tenant anniversary, christmas party, informational event Kirchtanne, informational event Fritz-Dächert-Siedlung, informational event district heating (Gießen), passive house day, Darmstadt senior citizens day	Roofing ceremony, laying of the foundation stone, tenant council, tenant anniversary, christmas party, informational event Postsiedlung, district meetings	Roofing ceremony, laying of the foundation stone, tenant anniversary, christmas party

In order to advance the participatory approach to the cooperation with the tenants, bauverein AG has carried out many more tenant information events and tenant meetings in the year 2011.

Result of resident satisfaction surveys				
		2011	2010	2009
GOV1.2	Tenant satisfaction	84,0%	///	///

84% of the tenants that were questioned in the line of a new tenant survey said that they would recommend bauverein AG to their family and friends. The survey was carried out by Technical University Darmstadt.

Measures to increase tenant satisfaction				
Results 2011				
GOV1.3	Constant measures:			
	<ul style="list-style-type: none"> - The dialogue with the tenants is being promoted by the tenant council. In cases of problems between tenants and the company the tenant council acts as a mediator in order to strengthen the companionship of the house. - The Neue Wohnraumhilfe, an organization promoted by the municipality, attends to socially deprived or insolvent tenants. Bauverein AG activates the Neue Wohnraumhilfe for instance, to prevent the loss of living space through layoff or to mediate between fighting tenants. - The constructional and technical development of the stock (product development) is constant, especially major modernizations and single dwelling modernizations are to be named here. - Tenant events: Honoring of longtime tenants, Christmas parties for senior citizens etc., donations for selective events of tenants. - Promotion of special projects: e.g. construction of playgrounds in the line of "social city" (target group: toddlers and teenagers). - Implementation of a complaint management - Implementation of a social management 			
	Evaluation of the measures:			
	<ul style="list-style-type: none"> - Increasing number of applicants (possibly also because of word of mouth through the tenants) – concrete results through tenant surveys. - There was no measurable improvement of the area in the district of Eberstadt, even though diverse measures were carried out in the line "social city". - The rate of the fluctuation lies with 10% underneath the national average of 10,8%. Yet a concrete analysis is only possible through a tenant survey. - Because of selective measures of maintenance (renewal of entrances, mail boxes, stair ways) a positive rental success could be achieved in the district of Eberstadt. Further measures are being done at the time (restoration of public places). 			

bauverein AG is bringing a great effort in trying to improve the tenant satisfaction as well as in the increase of the service quality. Only a few measures can be named here exemplarily.

Promoting transparency				
Existence of an established and documented code of ethics by the company				
		2011	2010	2009
GOV3.1	Topics (yes/no)	Concept exists	Concept exists	Concept exists
	Rules for employees	<ul style="list-style-type: none"> - Anti corruption - Data protection - General equal treatment act (GETA) 	<ul style="list-style-type: none"> - Anti corruption - Data protection 	<ul style="list-style-type: none"> - Anti corruption

bauverein AG is working intensely on implementing and anchoring normative rules concerning the behavior of the staff by gradually schooling all employees.

Existence of a documented long-term strategy, with a regular evaluation				
		2011	2010	2009
GOV3.2	Strategy paper (yes/no)	yes	yes	yes
	Description of the goals	Data is not publicized	Data is not publicized	Data is not publicized
	Evaluation (yes/no)	yes	yes	yes
	Evaluation results	Data is not publicized	Data is not publicized	Data is not publicized

The strategic goals are continuously being supervised, critically reflected and adapted if necessary.

Women's advancement				
Proportion of women in executive positions				
		2011	2010	2009
GOV5.1	Supervisory board	46,9%	46,7%	46,7%
	Board of directors and heads of departments	22,2%	22,2%	22,2%
	Total share of women in management positions	36,4%	33,3%	18,5%
	Total share of women in the company	47,9%	46,9%	44,9%

In the line of its possibilities, bauverin AG is aiming to increase the number of women in management positions. Especially in lower levels of management, the percentage of women lies by almost 50%.



Responsible human relations (HR) management

5.

Qualifying and obligating employees

Competent, specialized, loyal and content employees are the backbone of a company. Therefore the qualifying of employees according to their working place requirements as well as the promotion of individual capabilities and talents has a high significance for bauverein AG. This process of “active learning” began years ago and will be continued consistently due to the increasing lack of specialists. After all, a systematic enhancing of skills and further training plays a more and more important role in the competition for skilled employees. At the same time skill enhancement makes it possible for employees to be deployable in a flexible way and they are able to train themselves further consistently over years. Therefore bauverein AG not only invests into the training regarding the actual position of the employee, but also promotes job-accompanying courses of study as well as company-wide qualifying measures.

Doubling the offer of skill enhancement

In 2012 there will be already a lack of 27.000 specialized employees in Hessen. To be prepared for this lack of specialists, bauverein AG is investing strongly in skill enhancement and apprenticeships. While in 2010 employees spend a total of 2.128 hours for further education, in 2011 there were 3.760 hours invested. One reason for this boost is the increase of training contracts as there are for instance job-accompanying studies. Also the boost can be traced back to the enhancement of the internal offers for further training. For example in 2011 security, data protection and even excel trainings were carried out in the line of in-house events. Especially joyful: the increase of hours invested in special education was achieved without an increase in costs because much of the training was done on the basis of “colleagues teach colleagues”. That



- In bauverein AG apprenticeships have a high significance. This can be seen by the good final grades of the apprentices.

also is proof that the in-house know-how is appreciated and applied.

The management trainings were also further developed (see interview below). While in 2010 these trainings were offered to the board of directors and the heads of departments, in 2011 the division managers and team managers were also trained in the matter of effective leadership and management techniques. The trainings are structured modularly and therefore adaptable to the different employees. Because of the positive resonance, the trainings will continue in 2012.

Testing measures on a regular basis

The foundation for the human resource management which is geared to sustainability is a long term personnel planning aligned with the company, the employees and the demands of the market. It is based on quantitative numbers and is tested regularly just like the human resources development. An excellent indicator of success for the measures taken in line of the personnel planning is amongst others the survey of the employees which was done in 2008, 2010 and will be carried out again in 2013. Among other things it sheds light upon the employee sat-

isfaction as well as the improvement potential of the company. The results will be used to define concrete goals and measures.

The increasing flexibility regarding the working hours of the company and the many different individual working time models which make it easier for the employees to combine family and carrier also had their share in the high employee satisfaction result of the survey (2010: 2,47/2008: 3,2). bauverein AG has approximately 20 of these individual working time models. Also parents receive further support through the offer of emergency day care places in a kindergarten of Darmstadt for their children which they can resort to. Furthermore there is the offer for older employees who can receive a credit of their over hours in order to take those hours later in the form of partial retirement.

Focusing on health

An important part of the improvement of the working environment is the health management. In the survey of 2010, 51% of the employees asked for more health regarding measures. For that reason bauverein AG financed a "back course" which was set up in 2011 in corporation

"Communication as a main management issue"

What are the issues of your management trainings?

The subject of the first workshop was "Think, plan and act in a network". We concerned ourselves with the question of how the different departments can improve their value creation and communication through a successful collaboration. The following workshops were about management. It is important to always have the transfer from theory to practice.

Why is communication a main management issue?

Everything is communication, even if you are talking to yourself. Every employee gives information to others. Not matter if they are external clients e.g. tenants or in-house clients e.g. the colleague from the next department. She also deserves client oriented communication. Since managers are always examples, they have to stringently exemplify what they expect of their employees through their own way of working. An effective communication on the management level always provides effective communication on the employee level. Successful communication is by the way not to be equalized with communication free of conflicts. Conflicts are a part of human communication and are important points

of friction where development happens.

Have there been changes here since the trainings began?

Especially the issue of communication has changed. Points of view are being exchanged more intensively. The opinions of the other person are being questioned. In the last workshop it was very noticeable that the managers no longer looked at problems as problems of specific departments but as problems that concerned the company as a whole. Because of that entirely different solutions were developed.



Rudolf Hanke is managing director of the business consultancy "Kontext" in Burgdorf. He has been working as a trainer and coach since 1997 and is supervising the management trainings of bauverein AG since 2010.

with HEAG BKK (HEAG company health insurance fund). Up till now 15 employees participated. The offer will be extended in 2012 so that the employees of the garage also have the possibility to participate on this back training. This is especially reasonable, considering the fact that the industrial employees have to endure much more physical stress.

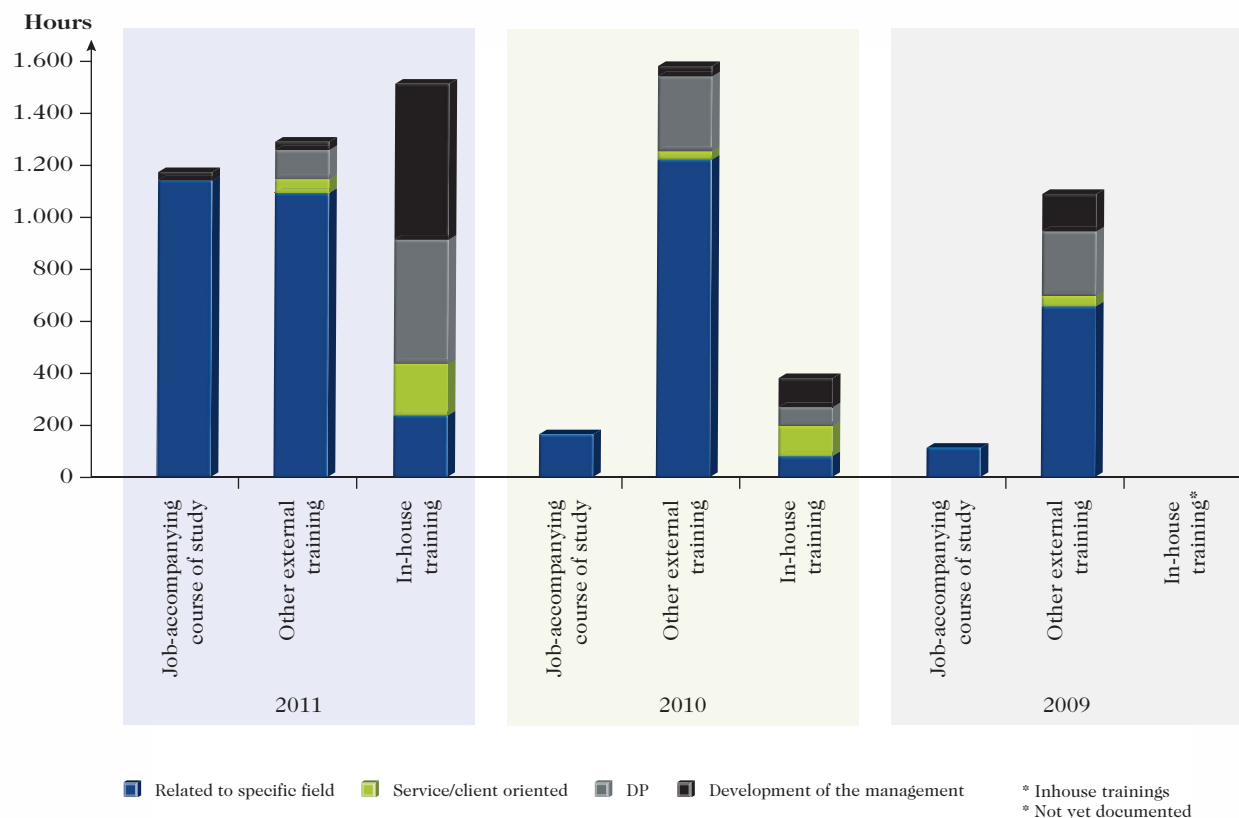
Job descriptions and achievement-oriented pay

One of the projects which started in 2011 is the developing of job descriptions for all departments and positions within bauverein AG. The job descriptions are the foundation of an achievement-oriented pay which will be implemented in the middle of 2012. All the specifications and qualifications an employee has to have to work in the corresponding position are documented in the job descriptions. Furthermore is the job description the foundation for personal skill enhancement. The descriptions were made in 2011 and 2012 and are in correspondence to the workflow descriptions which were made in 2009 and 2010 and are updated continuously. Determining and documenting the necessary qualifications should account to hiring custom-fit and qualified personnel.



■ Strengthening our backs together: bauverein AG health course

Advanced training subdivided by the kind of trainings



■ bauverein AG is using the competence of its own employees and relies on the principle “colleagues teach colleagues”.

Key figures			
Amount of employees equivalent to full time employees			
Amount	2011	2010	2009
	159,9	160,4	148,2

Employees			
GRI breakdown of the personnel dependent on the type of employment			
1 year	2011	2010	2009
Permanent full time	72,82%	70,32%	66,82%
Permanent part time	16,59%	17,35%	23,22%
Temporary employment	2,30%	5,02%	4,27%
Short term (temporary) full time	2,30%	3,20%	1,81%
Short term (temporary) part time	1,38%	1,37%	0,95%
Apprentices	4,61%	2,74%	2,84%
TOTAL	100,00%	100,00%	100,00%
Thereof minijob/avocational employees	7,83%	7,73%	16,11%

bauverein AG knows of its responsibility as an important employer and works only in cases of short term substitution with temporary workers.

Breakdown of hours and expenses for training sessions per year					
		2011	2010	2009	
HR 1.2	Training				
	External training	Hours	3.748 h	2.110 h	1.104 h
		€ per full time equivalent	571,97 €	494,66 €	451,19 €
		Hours per full time equivalent	21,68 h	12,38 h	7,18 h
	In-house training	Hours	304 h	30 h	///
		Hours per full time equivalent	1,73 h	0,17 h	///

bauverein AG is counting on the competence of its employees and if necessary colleagues will receive an accurately fit training.

Permanent improvement of working conditions	
Policy to promote good health and work-life balance	
Results 2011	
HR 2.1	<ul style="list-style-type: none"> - Up to 14 days off according to the number of hours credit - 1-2 days off for birthdays, weddings, cases of death - Part time jobs with flexible working time models (more free time for the care of children and family members in need of care) - Claim of parent time, re-entry with individual hours - Promotion of the JP Morgan Corporate Challenge Run - Continuance of health measures: health days, working place inspections, office gymnastics, hepatitis vaccinations, influenza vaccinations as an offer for everyone, health letter as a medium for information about health relevant subjects - Company physician - Implementation of a systematic operative integration management - Systematic trainings as a preventive measure against under or over challenging - Cooking courses and diet consultation - Offer of emergency day care - Offer of massage at work - Clear increase of the hours spend for further training - Implementation of a modular management training for all levels of management - Back courses - Participation/promotion of the company triathlon - Participation/promotion of further sportive events like company soccer

Work-life-balance is a main focus regarding the personnel measures. It improves the identification with the company.

Level of employee satisfaction			
HR 2.2		2010	2008
	Level of employee satisfaction (grade)	2,47	3,02

Through different improvements especially in the areas of social services, health management and supervisors the satisfaction of the employees with their employer could be raised disproportionately within two years.

Absences caused by illness				
HR 2.3		2011	2010	2009
	Amount of days/year	2.375	2.149	2.279
	Debit working days/year	41.347	///	///
	Quota of absences	5,74%	5,39%	6,27%

Because of the small number of employees, long time illnesses of individual employees affect the result over proportionally.

Promoting diversity and equity of employment						
Breakdown of employees and salaries by category and by gender						
HR 3.1	Percentage	2011		2010		2009
	Pay scale group AT	7,39%		8,34%		8,04%
Women		24,39%		21,05%		21,02%
Men		75,61%		78,95%		78,98%
Pay scale group 6	1,08%		1,17%		12,04%	
Women		50,00%		50,00%		24,26%
Men		50,00%		50,00%		75,74%
Pay scale group 5	11,35%		11,90%		17,37%	
Women		31,35%		25,82%		41,59%
Men		68,65%		74,18%		58,61%
Pay scale group 4	33,15%		29,32%		37,76%	
Women		36,68%		34,28%		60,52%
Men		63,32%		65,72%		39,48%
Pay scale group 3	33,78%		36,15%		16,60%	
Women		61,33%		61,54%		57,72%
Men		38,67%		38,46%		42,28%
Pay scale group 2	9,19%		10,29%		5,02%	
Women		70,59%		72,51%		79,59%
Men		29,41%		27,49%		20,41%
Pay scale group apprentices	4,05%		2,83%		3,18%	
Women		83,33%		100,00%		83,87%
Men		16,67%		0,00%		16,13%
TOTAL	100,00%		100,00%		100,00%	

bauverein AG pays gender-neutral according to the collective agreement.

Special employment				
HR 3.2		2011	2010	2009
	Handicapped persons	11,83%	10,30%	8,96%
	Employees over 55*	22,49%	///	///
	Apprentices	5,33%	3,40%	3,20%
	Permanent unemployed persons	0,00%	0,50%	0,90%
	Trainees	6,51%	2,90%	3,00%
	Occupational re-training	2,37%	1,00%	0,89%
	TOTAL	48,53%	18,10%	16,95%

bauverein AG lies clearly above the severely disabled quota that is required by law.

* documented since 2011

Procedural Method

Accuracy of the data collection

bauverein AG carried out an in-house data collection. This in-house data is the foundation for the detailed texts in this report. Part of the data however are re-

strictive assumptions and are not documented in the table section.

Explanations of the indicators

SOC2.2 Additional costs

These are additional costs according to the operating cost regulation. The additional costs were determined without counting vacant residences. The changes over the years are partially not significant because when looking at a newly build sheltered accommodation for the elderly for example, the additional costs are higher than they are in normal living spaces due to many additional services. Also, tenants of certain dwellings receive their heating directly from the energy supplier. Therefore the costs of heating and warm water are not known.

ENV2.1 Energy consumption and greenhouse gas emissions

The calculations beginning in 2010 refer to the heating requirements (without warm water). The data for new buildings (starting 2005) are partially estimated.

ECO2.1 Local economy system

Wages include social contributions as well as allocations to pension reserves.

The expenses for suppliers and service providers regard mostly maintenance, operational costs and expenses for building project organizers (construction costs, sales and infrastructure costs and other business expenses). The taxes include income taxes and other taxes (including property taxes).