



CORPORATE SOCIAL RESPONSIBILITY (CSR)

REPORT ON SUSTAINABLE DEVELOPMENT
AT GBG MANNHEIM 2011



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EXPERIENCE, EXCHANGE, IMPROVEMENT—THE EURHONET EUROPEAN NETWORK

Globalisation and networking are more relevant than ever before. To ensure continued growth in line with these considerations, the GBG is a member of the “European Housing Network” (EURHONET) as an established housing association.



EURHONET is a Europe-wide network that allows local authority housing associations to exchange knowledge and experience. The aim is to develop innovative projects in the field of social and public housing construction. Ideas and experience are exchanged and benchmarks defined in order to highlight best practice examples. International conferences and seminars are given on specialist matters in this field. In addition, the network offers study visits and employee exchanges, as well the opportunity to participate in organised working groups.

There are currently five different topic groups that meet three times a year on average. The groups explore the following focal topics:

- corporate social responsibility (CSR)
- energy savings
- social integration
- ageing of the population
- human resources

Participants in the working groups have the chance to exchange and discuss ideas. In addition, they develop the tools that allow the activities in this area to be documented and measured. This leads to the creation of binding, uniform standards that can be used by all members.

Participants from a total of five different countries—France, Sweden, Germany, Italy, and the United Kingdom—gain insight into other European companies, exchange information, and bring together ideas. EURHONET currently has twenty-six members, with each country limited to a maximum of eight members. These members manage around 600,000 flats, whose tenants benefit from EURHONET.



FRANCE

- FSM – Melun
- Habitat 62/59 Picardie – Calais
- Le Foyer Rémois – Reims
- Le Toit Angevin – Angers
- SDH – Grenoble
- Delphis – Paris

GERMANY

- Bauverein AG – Darmstadt
- DOGEWO 21 – Dortmund
- GBG Mannheim – Mannheim
- GWG München – München
- LWB – Leipzig
- Pro Potsdam – Potsdam

ITALY

- ALER Brescia – Brescia
- ALER Milano – Milano
- ARTE Genova – Genova
- ATC Torino – Torino
- IPES Bolzano – Bolzano
- IACP Bari – Bari

SWEDEN

- Familjebostäder Stockholm – Stockholm
- Helsingborgshem – Helsingborg
- Gavlegårdarna – Gävle
- Bostad AB Mimer – Västerås
- Hysesbostäder – Norrköping
- Stångåstaden – Linköping
- Bostads AB Vätterhem – Jönköping
- ÖrebroBostäder AB – Örebro





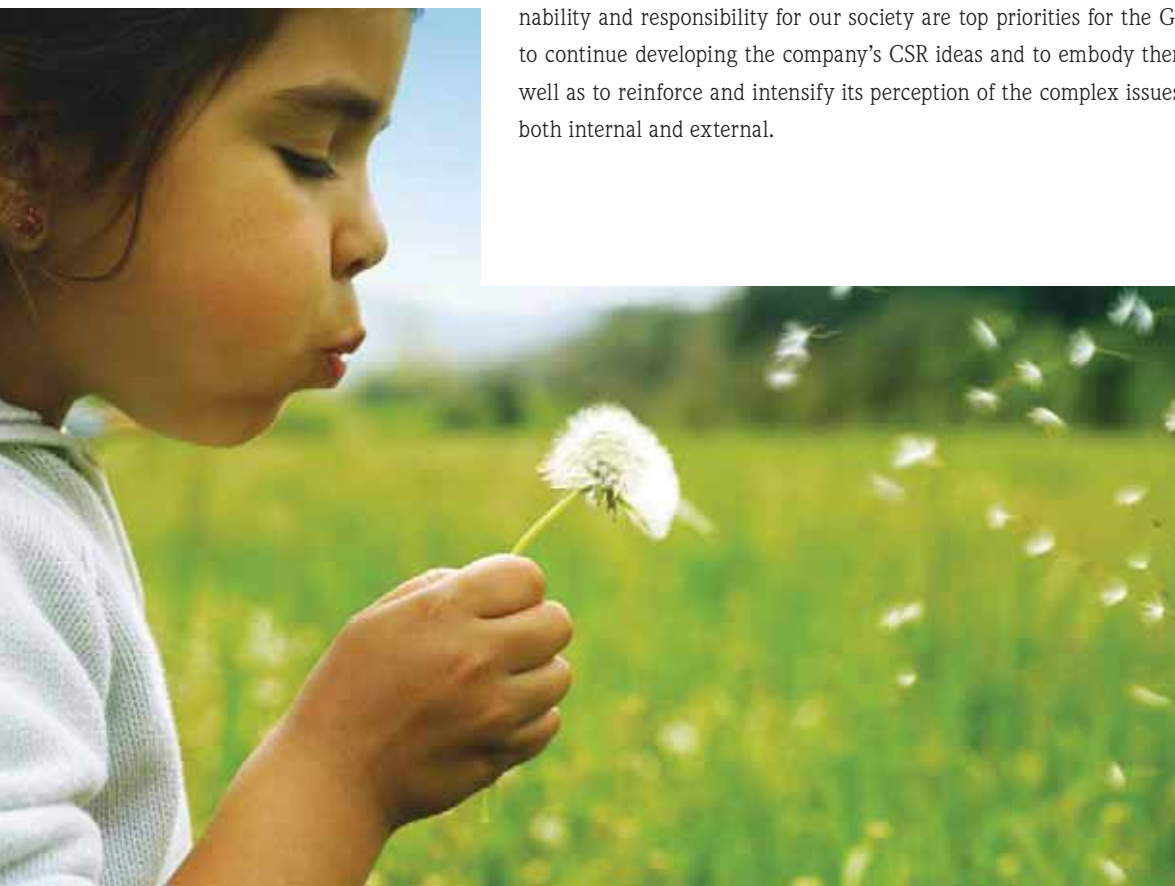
First CSR report by the GBG in accordance with the international standard

Corporate Social Responsibility (CSR), i.e. the company's responsibility to society, is becoming an increasingly important part of our activities. This is a company's voluntary contribution to sustainable development over and above the legislative framework. The focus is on social aspects, employees, and stakeholders in general. This refers to all persons or groups with a legitimate interest in a company, such as tenants, employees, banks, the City of Mannheim as the shareholder, suppliers and service providers, etc.

The EURHONET working group has developed the EURHO-GR® to document these activities. This grid contains a total of 79 qualitative and quantitative indicators to define, measure, and document sustainable activities. It is divided into five topic areas, which are examined in more detail below:

1. Promoting local social sustainability
2. Protecting the environment
3. Promoting long-term economic sustainability
4. Good governance
5. Responsible human resource management

The GBG is publishing its first report on Corporate Social Responsibility in accordance with the international standard for the 2011 financial year. The CSR project is still in its infancy. Sustainability and responsibility for our society are top priorities for the GBG. The aim is therefore to continue developing the company's CSR ideas and to embody them even more strongly, as well as to reinforce and intensify its perception of the complex issues facing the stakeholders, both internal and external.





GENERAL INDICATORS

0.1: Stock

Housing stock	2011	2010	2009
Total number	19,689	19,735	19,836
Of which free financed	16,531	16,577	16,678
Of which subsidised	3,158	3,158	3,158

With 19,689 flats in its housing stock, the GBG is the largest local authority housing association in Baden-Württemberg.

0.2: Rental rates according to the type of dwelling units

	2011	%	2010	%
Total stock				
Rent up to €4.00/m ²	80,852 m ²	6.64%	29,586 m ²	2.43%
Rent between €4.01/m ² and €6.00/m ²	1,034,303 m ²	84.99%	1,106,945 m ²	90.91%
Rent between €6.01/m ² and €8.00/m ²	98,926 m ²	8.13%	78,979 m ²	6.49%
Rent between €8.01/m ² and €10.00/m ²	2,274 m ²	0.19%	2,126 m ²	0.17%
Rent above €10.01/m ²	554 m ²	0.05%	0 m ²	0.00%
TOTAL	1,216,909 m²	100.00%	1,217,636 m²	100.00%
Free financed				
Rent up to €4.00/m ²	80,436 m ²	8.15%	29,586 m ²	3.00%
Rent between €4.01/m ² and €6.00/m ²	809,384 m ²	81.96%	880,095 m ²	89.23%
Rent between €6.01/m ² and €8.00/m ²	94,841 m ²	9.60%	74,540 m ²	7.56%
Rent between €8.01/m ² and €10.00/m ²	2,274 m ²	0.23%	2,126 m ²	0.22%
Rent above €10.01/m ²	554 m ²	0.06%	0 m ²	0.00%
TOTAL	987,489 m²	100.00%	986,347 m²	100.00%
Subsidised				
Rent up to €4.00/m ²	416 m ²	0.18%	0 m ²	0.00%
Rent between €4.01/m ² and €6.00/m ²	224,919 m ²	98.04%	226,850 m ²	98.08%
Rent between €6.01/m ² and €8.00/m ²	4,085 m ²	1.78%	4,439 m ²	1.92%
Rent between €8.01/m ² and €10.00/m ²	0 m ²	0.00%	0 m ²	0.00%
TOTAL	229,420 m²	100.00%	231,289 m²	100.00%

The rents up to €4.00/m² include the flats that are earmarked for demolition and thus no longer have a target rent.

0.4: Tenants over 65 years	2011	2010	2009
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Proportion of tenants over 65 years	25.20%	24.92%	23.10%
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The first effects of demographic change are already evident: one in four tenants is over 65 years of age. In the long term, this will present the GBG with new challenges.

0.5: Turnover	2011	2010	2009
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Turnover	€106,825k	€103,858k	€104,909k €
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The breakdown of the turnover into the individual business areas can be found in the item "1. Umsatzerlöse" of the profit and loss account on page 104 of the Annual Report.

0.6: Average age of the housing stock	2011	2010	2009
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Average age	52 years	51 years	50 years
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This shows the historical age based on the year of construction. Modernisation measures are not taken into account.

In order to renew the housing stock and therefore be in a position to offer contemporary housing, the facility management activities have focused on the modernisation of the buildings for a number of years.

0.7: Number of employees	2011	2010	2009
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Number in full-time equivalents as at 31/12	228	236	228
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1. PROMOTING LOCAL SOCIAL SUSTAINABILITY

The GBG is not only the largest local authority housing association in Baden-Württemberg, but also the largest housing provider in Mannheim, with 19,689 flats in its housing stock. The resulting social responsibility has now become an integral element of the company philosophy.

The housing portfolio is oriented towards the diverse needs of our tenants: the GBG's housing stock comprises flats with sizes ranging from one to eight rooms. Of our housing stock, 84% is free financed, while 16% is subsidised. The average flat size is 61 m².

Just under 82% of the free financed flats can be made available for a monthly rent of between €4.00 and €6.00 per m². As many as 98% of the subsidised flats fall within this range. This means that the GBG is below the average rental price of €6.01 per m² calculated in the Mannheimer Mietspiegel 2010 (2010 Mannheim rent index).

In the 2011 reporting year, the average age of the housing stock was 52 years. In order to keep pace with today's demands, we need to carry out modernisation measures on an on-going basis. In recent years, the GBG has therefore placed increased focus on renewing its existing housing stock. In 2011, €43,478k was invested in modernisation and maintenance. This will be discussed in more detail in section 3. Promoting long-term economic sustainability.

The GBG is also facing increasing challenges connected with demographic change: around 25% of the tenants are aged 65 or over. As part of every modernisation measure, we therefore examine whether it is technically and economically possible to provide flats that have few barriers, are barrier-free, or are suitable for wheelchair users, in accordance with certain framework conditions. The GBG's concept is thus based on removing or reducing barriers to allow people with reduced mobility or activity levels to use their flat for as long as possible and to make everyday life in their usual surroundings a little easier.

Shared home project for active senior citizens

In 2010, GBG became the first housing association in Mannheim to start a shared home pilot project, located at Mainstraße 34. This innovative form of living was developed in co-operation with the Verein der Mannheimer Jungen Alten (MaJunA e.V., Mannheim association for younger seniors), providing a perfect blend of independent, individual living and life in a community. The residents live in their own age-appropriate flats while remaining part of a social network. The housing community is a place of mutual support as well as diverse leisure and free time opportunities such as shared meals and cooking, painting, drawing, literature clubs, exercise classes, and much more. This helps to prevent tenants from feeling isolated. This living concept represents a good alternative to traditional forms of living for senior citizens and offers residents the chance to live independently in their own flat until well into their later years.





Housing-related services

To a large extent, the older tenants represent the target group of the GBG's sub-subsidiary Chance Bürgerservice Mannheim gGmbH. This company emerged from the broad spectrum of services put in place by the social management arm of the GBG. As it is a non-profit company, profit and profitability for the parent company GBG are not its primary concern. Instead, it is committed to making a social contribution by offering services at fair prices, sometimes below market rates. More and more people are living alone, which can cause elderly people in particular to feel isolated and lonely. The social management services aim to prevent this as much as possible. Additionally, in certain cases there is a risk of the accommodation being neglected, which would ultimately cause economic harm to the GBG.

The diverse range of services offered by the housing support company includes, for example, everyday assistance with household tasks as well as flat renovations, including painting and wallpapering as well as installation of floor coverings.

Concierge offices are also operated at five GBG properties. The employees act as on-site contacts and can also carry out smaller services for tenants if required. They also ensure that regulations are observed and properties are kept clean, and make tenants feel more secure. They are supported by the complex contacts. Two employees are deployed on site in each of the residential complexes. Their efforts and presence reduce noise pollution, vandalism, damage to property, and household waste issues.

The non-profit, social character of Chance is additionally underlined by the fact that long-term unemployed people—particularly those aged 50 and over—are provided with assistance in returning to working life.

Despite all the challenges that demographic change brings, children and young people are provided for, too: ex-boxer Charles “Charly” Graf—the former German heavyweight champion—offers anti-aggression training for young people with social problems.



Doing something good

The GBG employees are also committed to helping disadvantaged children. Every year during the season of Advent, the employees collect presents for the children living in the home. Both young and old then enjoy the festive giving of the presents by Saint Nicholas. In addition, the employees collect food to support charity lunches.





SOCIAL SUSTAINABILITY—GENERAL INDICATORS

Housing supply based on local demand

SOC 1.1: Average of surface area per type of dwelling	2011	Ø 2011	2010	Ø 2010
Total stock				
1-room flat	101,615 m ²	38 m ²	100,952 m ²	39 m ²
2-room flat	463,061 m ²	54 m ²	463,124 m ²	54 m ²
3-room flat	460,646 m ²	72 m ²	462,270 m ²	72 m ²
4-room flat	170,602 m ²	87 m ²	172,364 m ²	89 m ²
5-room flat	15,912 m ²	109 m ²	15,807 m ²	108 m ²
6 or more rooms	3,001 m ²	136 m ²	3,119 m ²	124 m ²
TOTAL	1,214,837 m²	61 m²	1,217,636 m²	62 m²
Of which privately financed				
1-room flat	88,416 m ²	38 m ²	88,048 m ²	38 m ²
2-room flat	409,436 m ²	53 m ²	408,392 m ²	53 m ²
3-room flat	352,556 m ²	70 m ²	353,289 m ²	70 m ²
4-room flat	122,587 m ²	84 m ²	124,103 m ²	87 m ²
5-room flat	11,105 m ²	106 m ²	11,000 m ²	105 m ²
6 or more rooms	1,317 m ²	132 m ²	1,435 m ²	131 m ²
TOTAL	985,417 m²	59 m²	986,267 m²	60 m²
Of which publicly subsidised				
1-room flat	13,199 m ²	42 m ²	12,903 m ²	42 m ²
2-room flat	53,625 m ²	61 m ²	54,733 m ²	61 m ²
3-room flat	108,090 m ²	79 m ²	108,981 m ²	79 m ²
4-room flat	48,015 m ²	96 m ²	48,261 m ²	96 m ²
5-room flat	4,807 m ²	117 m ²	4,807 m ²	117 m ²
6 or more rooms	1,684 m ²	140 m ²	1,684 m ²	140 m ²
TOTAL	229,420 m²	73 m²	231,369 m²	73 m²

A total of 2,072 m² is missing from the data for 2011. This relates to a training centre that belongs to a rental property but cannot be allocated to the above categories.

SOC 1.2: Types of dwellings produced each year	2011	2010	2009
Built dwellings	-	-	-
Bought dwellings	54 flats	-	-
TOTAL	54 flats	-	-

SOC 1.3: Growth of rental dwelling supply	2011	2010	2009
Total number of flats	19,689	19,735	19,836
Change in no. of flats in %	-0.23%	-0.51%	-0.60%
Floor space	1,216,909 m²	1,217,636 m²	1,217,958 m²
Change in floor space in %	-0.06%	-0.03%	-0.51%

The GBG's strategy is to develop its housing stock qualitatively rather than quantitatively.

SOC 1.4: Selling offer	2011	2010	2009
Number of flats/houses	27	35	49
Percentage of sold flats/houses in relation to total stock	0.14%	0.18%	0.25%
Floor space	2,225.38 m²	2,797.85 m²	3,960.31 m²
Percentage of sold floor space in relation to total floor space	0.18%	0.23 %	0.33%

For a number of years, the GBG has offered the tenants of selected properties the opportunity to buy their rental flat.

The tenants of the housing stock have priority. Capital investors can only buy the property if the tenants do not indicate an interest in purchasing.

RENT AND RUNNING COSTS

SOC 2.2: Progression of running costs

Development of utility charges in comparison with previous year	2011	2010	2009
Total stock in €/m ²	+€1.05/m ²	-€1.32/m ²	+€0.99/m ²
Total stock in %	+3.85%	-4.59%	+3.56%

SOC 2.3: Progression of rents

	2011	2010	2009
Total stock privately financed in €/m ²	€5.40/m ²	€5.08/m ²	€5.02/m ²
Total stock privately financed in %	+6.30%	+1.20%	+2.03%

The average price calculated in the Mannheimer Mietspiegel 2010 (2010 Mannheim rent index) amounts to €6.01 per m². According to this index, the GBG offers relatively low-priced housing.

SOC 2.4: Share of the additional costs of the rent

	2011	2010	2009
Total stock	33.00%	32.72%	34.29%

For a number of years, the utility charges have been increasingly developing into a "second rent". The extensive energy-saving refurbishments carried out in recent years should help to keep the ratio of running costs to rent (including heating) manageable for the tenants, or may even reduce the figure.

SOCIAL MIX

SOC 3.1: Part of internal mobility in the allocations of dwellings

Tenant moves	2011	2010	2009
Total number of internal moves	458	498	398
Total number of tenant moves	1,735	1,940	1,743
in %	26.40%	25.67%	22.83%

The high proportion of internal moves reflects the tenant satisfaction. Customer needs change during their lifetime, and not simply because of demographic change. The GBG offers the appropriate type of housing for each stage of life.

SOC 3.4: Tenant eviction prevention

Number	2011	2010	2009
Eviction proceedings	225	252	251
Evictions	65	108	91
Difference	160	144	160

For many years, the range of services provided by the social management arm of the GBG has included mediation (e.g. to settle neighbourhood conflicts) and debt counselling. The measures and assistance provided have played a significant role in reducing the number of actual evictions.



SOC 4.1: Social cohesion initiatives

2011 measures

Founding of Chance Bürgerservice Mannheim gGmbH at the end of 2009, offering the following services, among others:

- housing support
- domestic services such as shopping, cleaning, short-distance transportation, small repairs, accompaniment service to various appointments with the doctor, bank, authorities, etc.
- concierge services
- flat refurbishments
- energy saving advice
- focus on older people both as customers and as employees (predominantly 50+ age group)

The GBG also carries out a number of other measures to increase social cohesion:

- mobile domestic support
- involvement in the "Soziale Stadt" (Social City) project
- implementation of residential complex management in various areas of Mannheim
- leadership of district conferences
- creation of barrier-free flats or flats with few barriers for older and disabled people
- tenant meetings
- tenant magazine
- debt counselling
- mediation
- social management
- sponsoring projects
- construction and renewal of playgrounds
- construction of kindergartens
- provision of guest flats
- district parties
- shared home project for senior citizens in collaboration with MaJunA e.V. (Mannheims Junge Alte e.V.)
- and many more

SOCIAL ASSISTANCE TO TENANTS

SOC 5.1: Expenses for social assistance

Costs	2011	2010	2009
External third parties in €/flat	€89.99/flat	€93.52/flat	€68.25/flat
Donations in €/flat	€7.92/flat	€7.19/flat	€4.10/flat
TOTAL in €/flat	€97.91/flat	€100.71/flat	€72.35/flat

The expenditure for external third parties increased by 37% from 2009 to 2010. The main reason for this is the founding of the GBG sub-subsidiary Chance Bürgerservice Mannheim gGmbH at the end of 2009. The GBG supports the non-profit company so that it can offer its services at fair prices.

2. PROTECTING THE ENVIRONMENT



Energy Strategy 2020: reducing CO₂ emissions

Environmental and climate protection, reducing CO₂ emissions, saving energy: these topics have never been more important. People's attitudes are changing. We want to live sustainably and preserve resources so that we do not place a burden on future generations.

The City of Mannheim is following this trend and, in 2009, adopted its Energy Strategy 2020. By following an extensive action plan, the city aims to cut its CO₂ emissions by 40% (in comparison with 1990) by 2020. Its energy consumption is mainly linked to industry and commerce, private households, and transport.

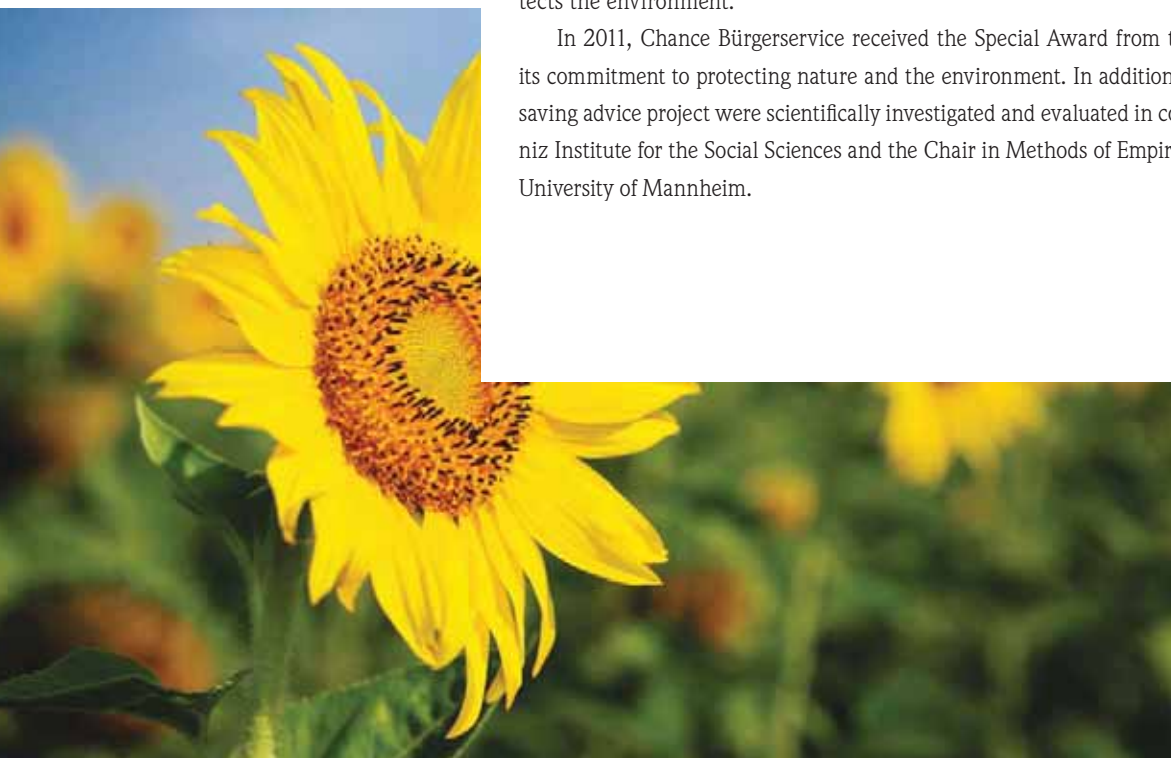
In 2005, around a quarter of the final energy was consumed by private households. Consumption has since increased by more than 10%. Given this substantial figure, the GBG believes its responsibility is to promote sustainable attitudes among tenants. The GBG therefore founded the climate protection agency Klimaschutzagentur Mannheim gGmbH in April 2009 together with the City of Mannheim and the local energy service provider MVV Energie AG.

The non-profit company offers free, independent advice on the topics of climate protection and energy conservation for Mannheim residents, small to medium-sized companies, associations, and churches. In addition, the employees provide information on possible incentive programmes and can also give presentations if required.

Energy saving advice

Klimaschutzagentur Mannheim gGmbH launched the energy saving advice project in co-operation with Chance Bürgerservice Mannheim gGmbH. The "energy saving assistants" advise GBG tenants free of charge, in their own homes, giving useful and easy-to-implement tips on conserving energy. This not only limits or reduces expenditure for running costs but also protects the environment.

In 2011, Chance Bürgerservice received the Special Award from the City of Mannheim for its commitment to protecting nature and the environment. In addition, the results of the energy saving advice project were scientifically investigated and evaluated in collaboration with the Leibniz Institute for the Social Sciences and the Chair in Methods of Empirical Social Research of the University of Mannheim.





Car sharing

Since 2011, the GBG has made one of its parking spaces available for the Stadtmobil Carsharing initiative. The advantages of car sharing are undeniable: it is environmentally friendly, reduces expenditure on the vehicle fleet, and means that fewer parking spaces are required. However, the rental car can be used not only by GBG employees but also by tenants in the surrounding areas of the city. The GBG has negotiated special terms for its tenants with the supplier.

ENVIRONMENTAL POLICY—FIGHTING CLIMATE CHANGE

ENV 2.1: Energy performance and greenhouse gas emissions	2011	2010	2009
	Total stock	Total stock	Total stock
Classes of energy consumption			
AA: Between 0 and 50 kWh/m ² p.a.	6%	3%	7%
B: Between 51 and 90 kWh/m ² p.a.	45%	47%	38%
C: Between 91 and 150 kWh/m ² p.a.	46%	48%	53%
D: Between 151 and 230 kWh/m ² p.a.	3%	2%	2%
E: Between 231 and 330 kWh/m ² p.a.	-	-	-
F: Between 331 and 450 kWh/m ² p.a.	-	-	-
G: 451 kWh/m ² p.a. or more	-	-	-
Average consumption: 93 kWh/m² p.a.	94 kWh/m² p.a.	94 kWh/m² p.a.	94 kWh/m² p.a.
CO₂ emissions			
Between 0 and 5 kg CO ₂ /m ² p.a.	1%	-	1%
Between 6 and 10 kg CO ₂ /m ² p.a.	21%	7%	25%
Between 11 and 20 kg CO ₂ /m ² p.a.	73%	79%	71%
Between 21 and 35 kg CO ₂ /m ² p.a.	5%	14%	3%
Between 36 and 55 kg CO ₂ /m ² p.a.	-	-	-
Between 56 and 80 kg CO ₂ /m ² p.a.	-	-	-
81 kg CO ₂ /m ² p.a. or more	-	-	-
Average emissions:	14 kg CO₂/m² p.a.	17 kg CO₂/m² p.a.	14 kg CO₂/m² p.a.

The assessment only includes centrally heated flats and only the heating energy consumed. Drinking water heating was not taken into account as it is primarily a decentralised process and the tenants pay the charges directly to the energy supplier.

Consumption has been adjusted for degree days to ensure better comparability.

For a number of years, energy-saving refurbishments have been an integral part of the modernisation concepts for the GBG's housing stock. The quality standard is set to be raised even further in the future.

3. PROMOTING LONG-TERM ECONOMIC SUSTAINABILITY



The average age of GBG's housing stock is 52 years. In order to meet the demands of contemporary housing and the associated quality of life, the GBG is increasingly focusing on renewing the properties in its portfolio. For a number of years, flats have been modernised to a consistently high level.

	2011	2010	2009
Total investment in maintenance and modernisation	€43,478k	€38,974k	€43,756k

Energy-saving refurbishment

In the development of maintenance and modernisation concepts, particular focus has been placed on energy-saving refurbishment of buildings for a number of years. Our strategy is not to attract attention with individual flagship projects. Instead, we aim to continuously improve the housing stock by achieving a high modernisation ratio, which contributes to preserving its value. Thanks to the extensive measures taken, the CO₂ emissions have already been reduced considerably, helping to relieve the burden on our environment. The GBG tenants also benefit from this, as these savings in heating costs have reduced the proportionate utility charges.

In addition, a maintenance programme was developed in the 2011 reporting year aiming to revitalise vacant but rentable flats in need of substantial maintenance work.

Optimisation of housing stock

Strengthening the core business is an integral part of the company strategy. This includes renewing and increasing the attractiveness of the properties, as well as optimising the housing stock. Demographic change is the main factor in the definition of benchmarks for the long term. However, we need to do more than simply satisfy the needs of an ageing society. Attractive housing that is appropriate for the target group must be available for families with or without children, single persons, and students. Portfolio management is an important tool for this particular task.

The housing stock was analysed, evaluated, and divided into segments on the basis of the following criteria: rental success, living quality, and location. Uniform standardisation strategies were formulated for each segment in order to suggest a recommended course of action to develop the housing stock. The decisions focus on profitability and sustainable rentability, taking into account the development strategies for the relevant residential complexes. In addition, a technical analysis program calculates the required investment. This figure is then incorporated into the long-term planning for maintaining the housing stock, taking into account the priority. The combination of sustainable modernisation activity, central rental, local tenant support via five customer service centres, and active stock management should help to reduce vacancy levels and maintain the GBG's competitiveness in the long term.



ECONOMIC RESPONSIBILITY— GENERAL INDICATORS STOCK MANAGEMENT

ECO 1.1: Proportion of renovated old housing stock each year	2011	2010	2009
Number of flats	631	522	635
Percentage of total stock	3.21%	2.65%	3.20%

According to the definition, this indicates the number of modernised flats older than 25 years in which at least €10k per flat was invested. Consequently, the overall total of all modernised flats is higher.

ECO 1.2: Average of major maintenance expenditure per dwelling over a 5-year period	2007–2011	2006–2010	2005–2009
Expenditure per dwelling	€1,576.43	€1,580.60	€1,619.56

The GBG has maintained a consistently high level of investment in improving the quality of its housing stock over a number of years.

ECO 1.3: Vacancy rates	2011	2010	2009
Vacancy rate as at 31/12			
Not active on the market (technical)	7.04%	6.40%	5.60%
Active on the market/less than 3 months	1.26%	1.44%	1.11%
Active on the market/more than 3 months	1.60%	2.0%	1.40%
TOTAL vacancy rate	9.92%	9.84%	8.11%

The vacancies described as not active on the market (technical) include flats currently undergoing modernisation as well as flats earmarked for demolition or sale. These are therefore the "deliberate" vacancies.

LOCAL ECONOMIC SYSTEM

ECO 2.1: Income from activities redistributed to stakeholders	2011		2010		2009	
	€k	% of Turnover	€k	% of Turnover	€k	% of Turnover
Turnover	106,825		103,858		104,909	
Salaries	16,854	15.78%	15,059	14.50%	15,447	14.72%
Suppliers and service providers	89,465	83.75%	67,950	65.43%	91,034	86.77%
Taxes	3,028	2.83%	3,031	2.92%	2,708	2.58%
Interest and cost of transactions	11,846	11.09%	13,542	13.04%	13,746	13.10%
Distribution	1,500	1.40%	1,500	1.44%	1,500	1.43%
TOTAL	122,693	114.85%	101,083	97.33%	124,435	118.61%

In the 2011 reporting year, more than 100% of the turnover was returned to the stakeholders (e.g. employees, suppliers and service providers, banks, and the City of Mannheim as a shareholder). The GBG therefore makes a substantial contribution to creating value in the region.

ECO 2.2: Annual investment in new stock	2011	2010	2009
New buildings	-	-	-
Purchases	2.31%	-	-
Total	2.31%	-	-

Only the new buildings and purchases to expand the housing stock are shown here. The development business is not taken into account.

4. GOOD GOVERNANCE



Communication and transparency are important pillars of responsible corporate management. In this area, we focus on the external stakeholders such as the GBG tenants and business partners just as much as the internal stakeholders, i.e. the employees.

Increasing tenant satisfaction

The GBG uses various methods to maintain a dialogue with tenants. Events are a central element of this approach. The social management team organises a large number of meetings with tenants throughout the year, with the aim of improving the tenants' accommodation and living situation. The actual living arrangements are not the only element discussed; we also take into account concerns such as transport, education, youth, security, cleanliness, and culture. In 2011, the GBG was active in a total of seven projects in various areas of Mannheim. To improve its effectiveness, the GBG collaborates with various project partners such as Caritasverband Mannheim e.V., Diakonisches Werk Mannheim, and many more.

The annual concert by the Lyra group is now a permanent fixture: for the eleventh year in succession, long-term tenants have enjoyed the harmonious sounds of the Russian vocal ensemble.

GBG tenants can also keep up to date with the latest news via print media and the Internet. The tenants' magazine is published once a quarter, allowing readers to stay abreast of the latest developments, obtain useful tips and information, and win great prizes in competitions. In addition, the redesigned homepage provides an extensive overview of the GBG's services, rental offers, properties for sale, and much more.

A total of five customer service centres distributed throughout the Mannheim urban area ensure faster and more direct communication as well as greater proximity to the customer. Dedicated contact persons ensure that tenant concerns are dealt with quickly and directly.

Tenant survey 2011

In order to remain competitive in the future, the GBG continuously strives to increase the satisfaction of its tenants. For this reason, a tenant survey was carried out once again in 2011. This was a qualitative study in which various image aspects of the GBG were identified via group interviews. Besides discussing the GBG's image and range of services, tenants also expressed their wishes and expectations. The results of the study confirmed the GBG's status as a traditional housing provider in Mannheim, while also highlighting potential for developing the range of services provided.



Fairs

In order to further increase awareness of the company and also promote services and new products such as the new Centro Verde residential area in Neckarstadt, the GBG has a stand at various fairs, such as the Maimarkt (May fair). Traineeships to become a Management Assistant in Property are also advertised. On average, the GBG hires three or four trainees every year. The “Jobs for Future” fair for jobs, training, and education is an ideal platform for conveying information about the profession and making contact with qualified young people.

National and international working groups

Local authority housing associations are regional in their scope. As they are not in competition with one another, networking is a very useful tool. The GBG is therefore a member of both national and international organisations and associations.

At national and federal state level, the GBG is involved in the GdW Bundesverband deutscher Wohnungs- und Immobilienunternehmen e.V., vbw Verband baden-württembergischer Wohnungs- und Immobilienunternehmen e.V., and AGW Arbeitsgemeinschaft großer Wohnungsunternehmen. Besides various advisory services and interest groups, these organisations also offer training and seminars. In addition, an efficient exchange of experience on technical, housing, and business topics takes place in working groups.

To ensure that experiences are also shared at an international level, the GBG is actively involved in the various working groups of the European Housing Network (EURHONET). Despite, or perhaps because of, the varying legal regulations in the individual countries, the companies involved gain insight into different points of view and benefit from the knowledge and insight of other businesses. Innovative projects, some sponsored by the EU, can also be implemented.

Besides communication, transparency is another important building block of responsible corporate management. In order to avoid conflicts of interest, all employees have been trained in topics such as data protection and anti-corruption. The corporate mission statement is also continually reviewed and updated if necessary. For example, the results of the latest tenant survey will be incorporated into the new mission statement.

The GBG is undergoing a continuous process of improvement. The balanced scorecard is one of the tools used in this process; it translates strategies into concrete goals. The company’s management and the heads of divisions concerned meet several times per year in workshops to define the goals, decide on measures, and check the progress made on goals set previously.

The budget shows the income and expenditure, as well as cash flows, expected for the current or coming financial year, and is used for the medium-term planning. The planning is updated on a quarterly basis. Forecasting future business transactions means that critical developments can be identified in advance and counteracted if necessary.

In addition, a variety of reports are created on a monthly or quarterly basis, and are used for operational planning.



PROMOTING DIALOGUE AND GOOD GOVERNANCE— DIALOGUE AND SATISFACTION OF RESIDENTS

GOV 1.1: Company carries out regular and organised dialogue with tenants

2011 topics

The social management team organises regular meetings with tenants throughout the financial year. The topics discussed centre on improving the accommodation and living situation in the relevant district of the city. The focal topics are:

- traffic
- education
- youth
- safety and cleanliness
- living
- culture

The GBG is active in local community work with a total of 7 projects:

- Hochstätt
- Rheinau-Mitte
- Schönau-Mitte
- Neckarstadt-West
- Rainweidenstraße
- Herzogenried
- Wohlgelegen

The project partners are:

- Caritasverband Mannheim
- Diakonisches Werk Mannheim
- Quartiermanagement Neckarstadt-West support association

The meetings are generally in the form of

- district conferences
- working groups
- initiative groups

Besides the extensive social management activities, other tenant meetings are held:

- tenant parties
- annual invitation to concert given by the Russian vocal ensemble Lyra for selected tenants
- information events relating to upcoming modernisations
- and many more

GOV 1.2: Results of resident satisfaction surveys

Tenant satisfaction 2011

In the 2011 financial year, the various image aspects of the GBG were identified via a qualitative study. The group discussions focused on various issues such as image and value dimensions, knowledge of the company's services and activities, and wishes and expectations concerning the GBG. The results of the study confirm the GBG's core business as Mannheim's traditional housing provider, while also providing starting points for sustainably improving the range of services provided. The results of the survey will contribute to the on-going development of the GBG's corporate mission statement.

GOV 1.3: Action plan for increasing tenant satisfaction

Results

- Five customer service centres distributed throughout Mannheim for greater proximity to the customer and improved communication;
- Consistently high level of maintenance and modernisation expenditure over a number of years in order to increase the quality of accommodation and reduce the utility charges for our tenants;
- Tenant meetings;
- Tenant magazine;
- Tenant surveys;
- Concierges;
- Broad spectrum of housing-related services at fair prices;
- Annual concert by the Russian vocal ensemble Lyra;
- Creation of flats with few barriers and barrier-free flats;
- Renewal or construction of green spaces and children's playgrounds as well as redesigning of waste disposal facilities;
- Sponsoring measures.



PROMOTING TRANSPARENCY

GOV 3.1: Existence of an established and documented Code of Ethics practiced by the Company

2009, 2010, and 2011

Proportion of employees informed	100%
Topics dealt with	Corporate mission statement, Code of conduct for avoiding conflicts of interest (anti-corruption), Data protection

GOV 3.2: Existence of a documented long-term strategy, with a regular evaluation

2009, 2010, and 2011

Documented long-term strategy (Yes/No)	Yes
Description of aims	<p>Balanced scorecard (BSC) The balanced scorecard translates the strategies of the GBG into long-term goals. Key figures that must be achieved are defined for each goal. Measures for achieving the goals are formulated and the people responsible for the goals are defined.</p> <p>Portfolio management Portfolio management allows the GBG's housing stock to be evaluated and segmented in accordance with uniform criteria. This provides the decision makers with a structured overview and a degree of confidence in their decision-making, allowing the housing stock to be developed in a sustainable manner.</p> <p>Budget The budget is used to model the most important known business transactions of the coming financial year. Forecasting the profit for the coming year means that critical developments can be identified in advance and averted.</p> <p>Various monthly and quarterly reports</p>
Assessment (Yes/No)	Yes
Assessment results	Data is not published

GOV 5.1: Proportion of women in management positions

	2011	2010	2009
Board and Management Group	15.38%	7.69%	7.69%
Supervisory Board	26.67%	20.00%	35.00%
Total number of women in the company	45.62%	44.89%	44.07%

5. RESPONSIBLE HUMAN RESOURCE MANAGEMENT

The GBG takes on responsibility, not just as a regional housing provider but also as an employer. As at 31/12/2011, the GBG employed 274 people. Just under 95% had permanent employment contracts. For the GBG, sustainable human resource management means long-term planning with qualified key personnel. The employees are paid on a gender-neutral basis in accordance with the collective agreement.



Lyra vocal ensemble

TRAINEESHIPS AND FURTHER VOCATIONAL TRAINING

Just under 27% of the employees are over 55 years of age. The GBG offers traineeships in order to cover its requirements for well-trained personnel in the long term. On average, three new trainees are hired every year. In the 2011 reporting year, ten trainees were employed. Of course, the primary objective is to offer them permanent employment contracts upon completion of their traineeships. In addition, the GBG regularly offers students the opportunity to gain professional experience during their practical training phase and allows school pupils to sample the traineeship to become a Management Assistant in Property.

The GBG benefits from its employees' lifelong learning activities and encourages them to take part in vocational and further training. Many employees make use of these opportunities and take further vocational training or on-the-job study courses in their free time. If the training is successfully completed, the GBG assumes a portion of the costs. This also applies to selected courses at the Abendakademie Mannheim. Here, employees can take courses in foreign languages, IT, and business, with the fees covered by the employer.



Tenant party

WORK-LIFE BALANCE

In order to reduce stress and psychological problems such as burnout, it is now more important than ever to strike a healthy balance between work, family, and private life. As the employer bears some of the responsibility for this, the GBG offers a broad range of measures that promote a healthy work-life balance. Individual part-time working models and flexible working hours, with the option of a total of twelve flexi-days per year, create greater flexibility in the structure of day-to-day life.

As part of health management and illness prevention measures, safety inspections are conducted regularly at every workplace in order to detect and eliminate hazards. Eye tests and flu vaccinations are also offered. As most employees work sitting down, back problems are widespread; employees are therefore entitled to a massage once a month. A sports group meets each week for back fitness training to further strengthen the back. Participation in regional sporting events such as the MLP marathon, the BASF Company Cup, or the city's football tournament is also supported by the GBG.



Company Cup 2011



INCREASING EMPLOYEE SATISFACTION

In 2011, an employee survey was carried out for the first time. In this qualitative study, a representative number of employees were surveyed via individual interviews. The conclusion of the study was that, overall, the employees are satisfied with their workplace. In general, the GBG is regarded as a secure and reliable employer. The strong potential for identification with the company is also due to the fact that it is committed to social considerations, which, in the end, benefits society. However, potential areas for development were identified in the communication structures. The first measures have already been introduced: for example, the intranet is now being used more actively as an information platform for the employees. The results of the study should help to highlight potential for further increasing employee satisfaction and will also contribute to the on-going development of the corporate mission statement.



DEVELOPING HUMAN RESOURCES—JOB DEVELOPMENT

HR 1.1: Staff breakdown per employment type and contract	2011	2010	2009
Permanent	94.89%	92.34%	92.96%
Temporary	1.46%	4.38%	3.70%
Interim	0.00%	0.00%	0.00%
Trainees	3.65%	3.28%	3.33%
TOTAL	100.00%	100.00%	100.00%
Of which mini-job/secondary professionals (temporary/part-time)	1.09%	1.09%	2.22%

For the GBG, sustainable human resource management means long-term deployment of key permanent personnel. Temporary contracts and interim staff are only used if necessary, in exceptional cases.

HR 1.2: Breakdown of training hours, employees trained and annual training expenditure per category of employees	2011	2010	2009
Further vocational training hours	7,552	7,472	6,864

The further vocational training hours include external further vocational training as well as in-house seminars. The GBG supports employees' individual wishes in relation to further vocational training.

PERMANENT IMPROVEMENT OF WORKING CONDITIONS

HR 2.1: Policy to promote good health and work-life balance

2011 results

- Individual part-time working models;
- Flexible working hours with up to 12 flexi-days;
- Massage sessions once a month;
- Workplace inspections by safety officers;
- Eye tests and, if required, allowance for glasses for work at the computer;
- Flu vaccinations;
- Adaptation of workplaces as required using ergonomically correct desk chairs and height-adjustable desks;
- Running group;
- Back fitness sports group;
- Tennis courts;
- Participation in sporting events such as the MLP marathon, the BASF Company Cup, and the city's football tournament;
- Occupational integration management in the case of long-term illness and reintegration measures;
- Addiction counsellor;
- Support for further vocational training;
- Canteen;
- Barbecue areas;
- Grade bonuses and exchange programmes for trainees.

HR 2.2: Level of employee satisfaction

Satisfaction in 2011

In 2011, an employee survey was carried out for the first time. In this qualitative study, the employees were surveyed via interviews on topics such as the perception of oneself as a GBG employee, image and value dimension of the GBG, and knowledge of the GBG's services and activities. The results will be used to develop the GBG's corporate mission statement on an on-going basis. As it is a qualitative study, no percentage figures on the satisfaction of the employees can be given.

ON-GOING IMPROVEMENT OF WORKING CONDITIONS

HR 2.3: Proportion of absenteeism caused by work-related accidents, sicknesses, and stress related to work

	2011	2010	2009
Days of absenteeism/year	3,082	2,437	2,049
Absenteeism rate	5.00%	3.60%	3.51%



PROMOTING DIVERSITY AND EQUITY OF EMPLOYMENT

HR 3.1: Breakdown of employees and salaries by category and by gender

Proportion	2011	2010	2009
Pay scale group AT	14.34%	13.97%	13.81%
Women	12.82%	10.53%	10.81%
Men	87.18%	89.47%	89.19%
Pay scale group 6	6.26%	5.88%	4.85%
Women	16.67%	18.75%	15.38%
Men	83.33%	81.25%	84.62%
Pay scale group 5	18.75%	17.65%	17.91%
Women	35.29%	25.00%	37.50%
Men	64.71%	75.00%	62.50%
Pay scale group 4	21.32%	21.32%	21.27%
Women	29.31%	70.69%	71.93%
Men	70.69%	29.31%	28.07%
Pay scale group 3	25.74%	27.21%	27.24%
Women	47.14%	44.59%	43.84%
Men	52.86%	55.41%	56.16%
Pay scale group 2	6.25%	5.88%	5.97%
Women	17.65%	75.00%	81.25%
Men	82.35%	25.00%	18.75%
Pay scale group trainee	3.68%	3.31%	3.36%
Women	80.00%	88.89%	77.78%
Men	20.00%	11.11%	22.22%
Wage bracket 04	0.00%	0.37%	0.37%
Women	0.00%	0.00%	0.00%
Men	0.00%	100.00%	100.00%
Wage bracket 03	1.47%	2.21%	1.49%
Women	0.00%	16.67%	0.00%
Men	100.00%	83.33%	100.00%
Pay scale group 01	1.10%	1.10%	1.12%
Women	66.67%	66.67%	66.67%
Men	33.33%	33.33%	33.33%

Pay is awarded on a gender-neutral basis in accordance with the collective agreement. The list does not include those in marginal employment as they cannot be allocated to a wage bracket.

HR 3.2: Special employment

Number of employees	2011	2010	2009
Severely disabled staff	10.55%	11.4%	10.98%
Employees over 55	26.55%	26.84%	29.17%
Trainees	3.27%	3.31%	3.41%
Long-term unemployed	-	-	-
Preparatory vocational year	-	-	-
Interns	2.55%	2.57%	2.65%
Retraining	-	-	-
TOTAL	42.92%	44.12%	46.21%

At 10.55%, the proportion of severely disabled staff is significantly higher than the legally required value. Long-term unemployed people—particularly those aged 50 and above—are given the opportunity to return to work via the GBG sub-subsidiary Chance Bürgerservice Mannheim gGmbH.