

RESPONSIBILITY

Sustainability Report 2006

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FOREWORD

»Responsibility« is the title of this sustainability report. We want to depict our company responsibility here: how we assess it, why we view ourselves as a responsible company, how we implement it. The following pages present Miele – the company, its products, and the people involved with the firm. A large chapter has traditionally always been reserved for the influence of products and production on the environment. Facts and figures along with clearly explained operating figures provide detailed insights into our company.

Company responsibility seems to be the catch phrase on everyone's lips these days. But at Miele, we pay it more than just lip service: it has always been a key component of our business management. We view ourselves as having a responsibility to our customers and our employees, and see our-

selves as responsible for the environment and the coming generations. In so doing, we, as an economic company, also have the responsibility to grow and economize wisely. To us, the word sustainability encompasses all of these factors.

Miele is distinct, alone for its structure as a family company. This is why the suggestions we received about the form this sustainability report should take did not seem appropriate to us. We have therefore decided to present our philosophy, our values, and our fundamental core focal points in the "Miele way", to better be able to clearly define them. This report shows Miele as we see it.

Dr. Eduard Sailer
Managing Director

Please note:

This sustainability report refers to the calendar years 2004 and 2005. In some places the most recent available data from 2006 has been included to ensure that this report is as up-to-date as possible, and is marked as such. "Responsibility" is the sustainability report from the Miele Group and is valid internationally. In the "Environment" section, only data from the factory sites (production and management) were collected. The figures for the kitchen factory in Warendorf (divestment occurred in August 2004) was completely included in the calculations for reasons of data collection. This third sustainability report from Miele replaces the report from 2004, upon which it is largely based. The next Miele sustainability report will appear in 2008. As in the past, this report will only be published in electronic form. A printed version is not planned for ecological and economical reasons. We affirm that this report was created in good conscience and that the Miele Company strictly adheres to all legal regulations at all locations and subsidiaries. Senior Management

Miele

VALUES



VALUES

Miele – the name stands for quality

As a premium manufacturer of household appliances, the Miele Company has a pole position on international markets. The company's headquarters are located in Gütersloh in Westphalia. Production takes place in eight domestic factories and at locations in Austria, the Czech Republic and China.

Miele is represented by 37 owned subsidiaries on five continents, and in another 120 countries through importers. As such, Miele is the only premium brand for domestic appliances represented worldwide. In the business year 2005/2006, Miele achieved a turnover of 2.54 billion euro (2.26 in the previous year). The Miele Group invested 135 million euro over the past financial year (122 million in the previous year), more than 100 million of this in Germany alone (99 million euro in the previous year). As of June 30, 2006, a total of 15,019 persons (14,814 in the previous year) were employed by the Miele Group. The company continuously strives to fulfil the company slogan, "forever better," for Miele holds fast to the high standard of only offering its customers the best that technology in the domestic appliance sector makes possible. The already proverbial Miele quality, a high level of

innovation and aesthetically-pleasing design are all earmarks of our products. The product range includes domestic appliances for laundry care, free-standing and built-in appliances for kitchens, and vacuum cleaners. A second sector includes commercial appliances for laundry care, industrial cleaners, and special washer-disinfectors for clinics and laboratories.

Highest appliance sales in the company's history

The 2005/2006 business year was the best in a long time. The new series for laundry care were very successful, enabling Miele to sell considerably more than 800,000 Miele washing machines and almost 350,000 tumble dryers. New series also spurred on dishwasher and vacuum cleaner sales. For the very first time, more than two million Miele vacuum cleaners were sold in just one year. Dishwashers set a new record too with 550,000 appliances sold. Built-in appliances including steam ovens, electric cookers and ovens, hobs and plate warmers also exhibited increases in sales. Commercial appliances too, in particular launderette equipment and "Little Giants" (automatic washing machines and dryers up to 6.5 kg) enjoyed an upturn in sales.

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Products of the highest level of quality, a marketing policy that focuses on speciality dealers, and an upswing in the economy all combined to result in an increase in the final products produced of 20.4% in 2005.

Since being founded in 1899, Miele & Cie. KG has been run by two owner families. With Dr. Markus Miele and Dr. Reinhard Zinkann at the helm, the fourth generation of the founding families is now involved in the company.

Together with three managing directors who are not family members, Horst Schübel (finances, controlling, administration), Dr. Eduard Sailer (technology) and Dr. Reto Bazzi (sales and marketing), they make up the board of directors. Miele & Cie. is legally a limited partnership.

Changes:

The factories have remained in the same locations since they were founded, none have been closed or moved. Some changes have taken place in the factory sector since the previous sustainability report. The factories in Germany were restructured, effective on January 1, 2005. Six regional sales and

service centres and two advising and training centres were created out of 14 sales centres. Modifications in data processing and logistics allowed for this consolidation of the sites and the resulting cost savings. The area-wide customer service network and the sales force along with the comprehensiveness and quality of service to dealers remains unchanged.

An important change took place at the Warendorf factory, where the kitchen production that had taken place here since 1975, was given up. All employees were able to continue employment with the new owner. The Miele plastics factory at the same location remained unaffected. The production of the affiliate brand imperial was discontinued at the end of 2005.

Both factories in Bünde and Arnsberg will continue to operate unchanged, for now products exclusively for the Miele brand will be produced at these sites.

Further information:

Annual report: Data and facts 2005/2006

VALUES

The Miele corporate philosophy

We wish to supply our customers with only the best that current technology has to offer. Miele aims to manufacture the highest quality domestic and commercial appliances and to be seen by all markets worldwide as providing an absolutely top-class household product. Therefore continuous innovation is the foundation of our business success. Our central focus is on the customer for whom we provide these first-class products and services. In keeping with the company motto of “forever better,” first coined by the company founders, we will to continue to improve our company in future as well. For were we to cease striving to be “forever better”, one day we would no longer even be good. This is why we have committed ourselves to operate in accordance with the following fundamental principles:

1. It is our objective to produce and sell goods that meet the highest standards of quality using processes that are both ecologically and economically sound. These products should not only excel in terms of performance and safety, but also minimise the burden on the environment throughout their entire life cycle.
2. Through the development of innovative products and processes, we wish to achieve the most sparing use of raw materials, energy, water, and other resources, and to increase the utility value and functionality of our products.
3. Within our sphere of influence, we wish to avoid emissions and waste as far as possible, and where this is not possible, to reduce them. We strive to do so by using the best environmentally friendly technologies available that our economic options allow.
4. As a manufacturer of high quality domestic and commercial appliances active in markets worldwide, we have always felt a responsibility not only to protect the environment, but also the social welfare of our employees, the maintenance

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nance of work standards right up the supply chain as well as ensuring that basic human rights, as far as we can influence them, are upheld. For this reason we support the principles laid down in the Global Compact by the UN relating to the protection of human rights and to social and environmental standards. Additionally we regularly undergo the process of certification under the guidelines of the SA 8000.

5. All our employees are to be informed, qualified and motivated with regard to our management system as is appropriate for their duties. Within their respective areas of responsibility, they are obligated to implement our company philosophy as well as to ensure that all appropriate legal requirements and guidelines and company guidelines are complied with.
6. Using an integrated management system covering all aspects of occupational health and safety, medical products, product liability, product safety, quality, social welfare and environmental

protection, we ensure that our company in cooperation with our suppliers, dealers, service providers, and the appropriate authorities, achieves comprehensive and continuous improvement in all aspects of the management system.

7. We regularly review compliance with our company philosophy and its aims, as well as the functional effectiveness of the management system. This includes the evaluation of relevant data.
8. We keep our workforce, local authorities, other specialists and interested parties, and the interested general public informed of our activities in the areas of marketing, the environment, the firm and social matters. In addition we provide information regarding the ecological impact of our factory sites and on the progress of containment policies to avoid or reduce this impact. The desire for open dialogue is second nature to us.

Senior Management

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Miele factory sites

For the sake of accuracy, the numbers of employees refer to the status quo on June 30, 2006.

Gütersloh factory

Miele's founding factory site at Gütersloh also includes the administrative headquarters, the central distribution warehouse, and the electronics factory. 4,893 people are employed there, with 2,754 of them directly involved in manufacturing. They develop and manufacture washing machines, tumble dryers, washer-dryers, electronic controls for all Miele machines and a multitude of parts for other Miele factories.

Bielefeld factory

1,773 people work in the Bielefeld factory, 1,357 of whom work directly in production. Laboratory washer-disinfectors along with domestic dishwashers and vacuum cleaners are developed and manufactured here.

Oelde factory

Ovens, compact ovens with microwave technology, and hob control units are developed and manufactured in Oelde. 557 people are employed here, 388 of whom work in production.

Warendorf factory

After the sale of the kitchen factory in Warendorf, the focus of production here is now on thermoplastic injection-moulded parts for automatic washing machines, dryers, dishwashers, vacuum cleaners, and pump or motor housings.

The site is also involved in spare parts logistics, for spares for Miele are warehoused in a area of 21,000 m². Around 226 employees work in the Warendorf factory, 185 of whom are involved in production.

Lehrte factory

Around 458 people are employed in the Lehrte factory, 258 of them involved in production. They are responsible for the development and manufacture of washer-extractors, tumble dryers and flatwork ironers for commercial use. Domestic rotary ironers are also developed and produced in Lehrte, along with wiring harnesses for other Miele factories.

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Euskirchen factory

Electric motors for domestic and commercial Miele machines, and vacuum cleaner motors are developed and produced in Euskirchen. 492 people are employed here, 385 of them in production.

Bünde factory

Hobs, steam ovens, plate warmers, ovens and the electronic controls for the products made on-site are developed and manufactured at the Bünde factory. 496 people are employed here, 378 of them in production.

Arnsberg factory

240 people are employed in the Arnsberg factory for the development and manufacture of cooker hoods and related accessories, 180 of whom work in production.

Bürmoos factory (Austria)

The factory in Bürmoos near Salzburg specialises in processing stainless steel for the medical technology, chemical systems and food industry sectors. 183 people are employed at this site, 144 of them are involved in production, making wire baskets as inserts for clinical and laboratory use as well as domestic spin dryers, accessories and components for commercial dishwashers.

Uničov factory (Czech Republic)

Since 2004, washing machines, tumble dryers and washer-dryers have been produced in the Uničov factory. 305 employees work here, 264 of them in production.

Hong Da factory (China)

858 people are employed in the Chinese Hong Da factory where vacuum cleaners are manufactured.

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Customer advising and support

There are eight locations in Germany where Miele provides specialist advice and sells replacement parts to end customers. No appliances are sold here, the centres provide only customer support, just like the service provided by a competent specialist dealer. Due to the space available, the number of appliances on display is larger as a rule. At the headquarters in Gütersloh there is also a large product display area with customer service representatives on hand to advise customers. (Address in “Contact” section)

The Sales and Service Centres in Germany

Berlin

Miele Sales and Service Centre Berlin
Mielestraße 1, D-14542 Werder/Havel
Phone 033 27/484-0, Fax 033 27/484-209

Bochum

Miele Sales and Service Centre Bochum
Burgstraße 15-19, D-44867 Bochum
Phone 023 27/942-0, Fax 023 27/942-209

Frankfurt

Miele Sales and Service Centre Frankfurt
Industriegebiet Süd, Mielestraße 2, D-61169 Friedberg
Phone 060 31/935-150, Fax 060 31/935-209

Hamburg

Miele Sales and Service Centre Hamburg
Melkerstieg 20, D-21217 Seevetal
Phone 040/768 69-0, Fax 040/768 69-209

Karlsruhe

Miele Sales and Service Centre Karlsruhe
Hertzstraße 36, D-76275 Ettlingen
Phone 072 43/334-0, Fax 072 43/334-209

Munich

Miele Sales and Service Centre Munich
Euro-Industriepark
Lotte-Branz-Straße 10, D-80939 Munich
Phone 089/318 11-0, Fax 089/318 11-209

Advising and Training Centres:

Leipzig

Miele & Cie. KG
Advising and Training Centre Leipzig
Torgauer Straße 338, D-04347 Leipzig
Phone 03 41/94 03 2-0, Fax 03 41/94 032-29

Nuremberg

Miele Advising and Training Centre Nuremberg
Miele-Platz 1, D-90542 Eckental-Eschenau
Phone 091 26/29 32-0, Fax 091 26/29 32-39

Please also see: www.miele.de

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The international Miele subsidiaries

For addresses please see www-miele.de or go directly to the homepage of the selected country by clicking on its name [here](#). Information about importers in other countries is provided on the Miele website.

- Australia
- Austria
- Belgium
- Canada
- China
- Croatia
- Czech Republic
- Denmark
- Finland
- France
- Great Britain
- Greece
- Hong Kong
- Hungary
- Ireland
- Italy
- Japan
- Korea
- Luxembourg
- Mexico
- Netherlands
- Norway
- Poland
- Portugal
- Russia
- Singapore
- Slovakia
- Slovenia
- South Africa
- Spain
- Sweden
- Switzerland
- Turkey
- Ukraine
- United Arab Emirates
- USA

VALUES

The Miele Management System: Quality with system

The implementation of basic company policy at Miele is ensured by an effective management system. This system applies equally to the following:

- Occupational safety
- Occupational health
- Medical products
- Product liability
- Product safety
- Quality
- Social concerns
- Environmental protection

Senior management defines the overriding objectives. The factory division heads and departmental heads work to ensure that guidelines are complied with and also report on progress.

At manufacturing plant level, environmental responsibility lies with the works managers. They define targets and programmes for their respective plants and nominate officers for the specific areas. Miele provides a sufficiently wide array of teaching materials required for the training of these personnel.

Each year, the management system is audited by external specialists to ensure company-wide compliance with the DIN EN ISO 9001 (quality) and DIN EN ISO 14001 (environment) standards and the SA 8000 for social standards. The same applies to the DIN EN ISO 13485 (medical products).

Additionally the management system is also continuously monitored by Miele auditors within the context of fixed assessment programmes. These auditors compile reports and evaluate results making it possible for the departments concerned to identify discrepancies at an early stage and to take any necessary remedial action.

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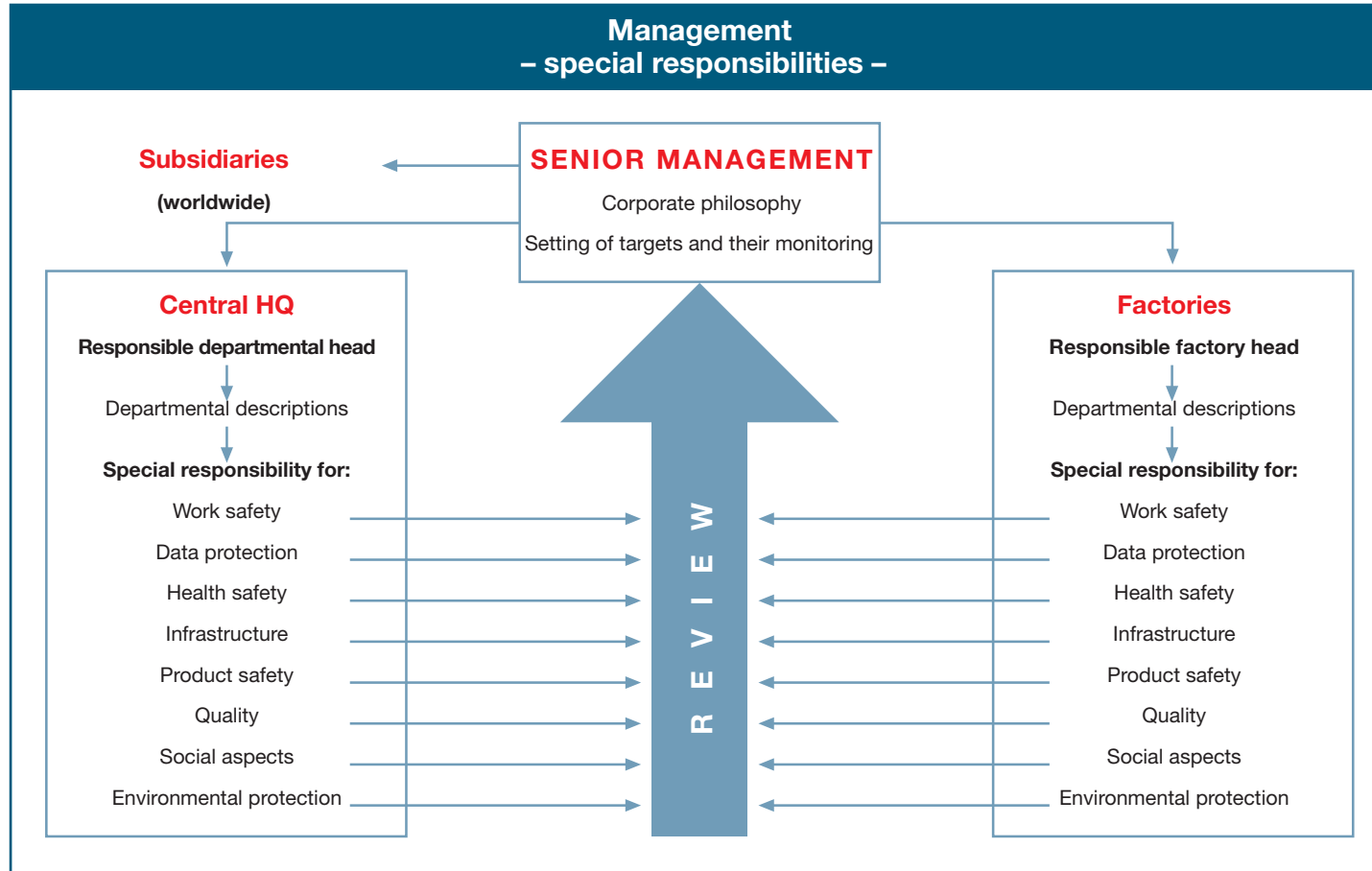
At the Hong Da factory (China), the introduction of a quality and environmental management system in accordance with DIN EN ISO 9001 and DIN EN ISO 14001 has almost been completed.

After the successful certification of this site, the application of internationally valid quality and environmental standards will apply consistently to all Miele factories. Efforts are also being made to comply with the social standard requirements.

With the signing of the CECED code of conduct in 2005, senior management again expressed its acceptance of the firm's obligation to protect the environment and the interests of employees in both its internal and external areas of influence. This code, based in part on the Global Compact, is intended to ensure that the criteria for long-lasting and socially positive behaviour throughout Europe are met by the manufacturers of household appliances.

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Responsibilities and tasks in the management system



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Forever better: looking back

The founders of the Miele Company wrote the company slogan on the first wooden washing machine: “Forever better”. This motto still applies to all areas of the company today and practical environmental protection has long played its part in this philosophy. High quality requirements lead to long product lifetimes. These are gentle on the environment over time. Miele made an early contribution to this with its company environmental protection policy.

Certification in accordance with the various standards dealing with the environment, quality, and soon social criteria serves to compliment the long list of voluntary measures and obligations undertaken by Miele.

1951 Introduction of the company suggestion scheme

1970 Start of systematic environmental data recording

1990 Introduction of product-related environmental protection

1992 Introduction of the Miele management system

1993 Company-wide participation in the DIN EN ISO 9001 international quality standard

1996 Participation of all Miele factory sites in the DIN EN ISO 14001 standard and the European environmental regulation (EWG) no. 1836/93

1996 Publication of the first complete environmental declaration for all Miele factory sites and the first Miele Group environmental report

2004 Company-wide participation in the SA 8000 standard from SAI (Social Accountability International) Support of the UN Global Compact with its principles regarding human rights, social relations and environmental standards.

2005 Commitment to support the CECED Code of Conduct for the protection of the environment and the rights of employees

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Current Certifications



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Company suggestion scheme

August 2006 marked the 55th year of the existence of the company suggestion scheme. Over the course of decades, many employees have made use of the opportunity to be involved in the improvement of products and work processes, as such actively contributing to the organisation of the company.

Independent of the quality or practicality of the suggestions, the high participation rate shows the strong ties between employees and the company. This committed thoughtful approach is of advantage to both sides: Just by applying some of the ideas, a total saving of over 2.1 million euro was achieved in 2005. Around 413,000 euro of this was paid out in bonuses to the respective employees. It is frequently the ideas of the technical experts that exhibit wide-ranging effects. Most suggestions apply to production, such as ideas for the optimisation of product installations or the products themselves.

Teaching the newest technological knowledge is an integral part of all forms of training and education at Miele. Environmental topics are dealt with

regularly. They are as much a part of the standard curriculum for our apprentices as they are for general vocational training or seminars aimed at specific groups.

The success of targeted training and motivation measures is shown in the continuing high proportion of environmentally relevant suggestions submitted to the company suggestion scheme. On average 22% of all suggestions for improvement over the last five years have involved this subject. In this way Miele employees actively influence environmental protection in the company.

The company suggestion scheme can be traced back to the sons of the company founders. Back in 1951, Carl Miele Jr. and Kurt Christian Zinkann first asked the workforce to submit suggestions for improvements and savings. The first suggestions from individual employees date back to the 40s however. Then, as now, the main motive for this input on the part of employees was not a reward or bonus.

The reason for this commitment and involvement is truly the desire to ensure that both day-to-day production processes and the finished appliances remain “forever better”, to contribute

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to the financial success of the company and as such to employment security. This is verified by the fact that most of those whose suggestions have been successful “keep at it”, indicating that having their ideas realised is equally important and that they continue to give thought to the issue at hand.

This high level of commitment was also evident in the high level of participation in the “Energy Saving Campaign” that ran from December 15, 2005 to March 15, 2006 at the Gütersloh factory.

Posters and leaflets informed employees about the energy saving measures, and encouraged them to submit their own suggestions for energy saving measures that could be implemented. A total of 103 suggestions were received, 22 of which have already been applied (as of September 2006). And the challenge to save energy and submit suggestions to this end has continued past the campaign deadline, together with the extensive checklists on this topic.

Miele

TRUST



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Longer product life

“Most trusted brand”: the most trusted domestic appliance brand in Europe is the Miele brand according to an annual survey done by “Reader’s Digest”. The company has been awarded this honour each of the six times the survey was carried out (as of summer 2006). This level of trust has grown over the years. It is based on the quality, reliability and long life of Miele products. Its origins can be found in the advertising slogan invented in the 20s that remained well-known for a long time: “Miele, Miele sagte Tante, die alle Waschmaschinen kannte” (Miele, Miele said Aunty, who knew all washing machines well). Today, the quality and long life of Miele appliances is proverbial.

This claim can be supported with solid figures, for Miele appliances enjoy the longest period of use in households. According to a consumer study by the Gesellschaft für Konsumgüterforschung (GfK) in Nürnberg, a major German consumer association, Miele washing machines work the longest, an average of 18.5 years. Miele tumble dryers work even longer, 18.6 years. In contrast the average period of use of all other washing machine brands tested

excluding Miele was just 12.4 years and 11.8 years for tumble dryers.

The longevity of Miele washing machines has also been confirmed by endurance tests carried out by the Wäschereiforschungs-Institut Krefeld (Laundry Research Institute Krefeld) for Miele. The report from this independent institute clearly showed that of all the machines tested, the Miele washing machine was the only one still functioning perfectly after a lifetime endurance test of 4,995 wash cycles, the equivalent of around 20 years of normal use.

Miele design all their domestic appliances to have a lifetime of at least 20 years. No new appliance is introduced into the market unless it passes the continuous endurance test, for washing machines that means 10,000 hours or almost 13 months.

In order to make these endurance tests more visible to customers, this stability test was done in front of running cameras at the Gütersloh factory. A washing machine and a tumble dryer started the “World Cup Endurance Test” on July 5, 2005, broadcast live in the internet. Both machines ran non-stop and washed and dried more than 30 tons

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of laundry. The magical 10,000th hour of constant operation was reached on August 31, 2005 at 3:15 pm. For a washing machine, this corresponds to a lifespan of 20 years, and, since it has a shorter cycle, this is equal to a total of 26 years for a dryer. During this time, the machines ran almost without a break; the drums of the two machines only stopped spinning momentarily while they were being loaded and unloaded. Failures: none.

The on-average more than six-year longer life compared to the competition obviously has a sustainability effect in the most literal sense: If a machine is used for a longer time, it clearly has a

reduced impact on waste quantities and contributes to energy savings and the use of fewer resources. Appliances that work longer are more environmentally friendly than short-lived machines that quickly need replacing. To ensure that domestic appliances are always technologically up-to-date, Miele invented the electronic update system. This system allows new programmes to be installed on older appliances with little or no fuss. This means that energy and water saving potential can be exploited to the full even years after the date of purchase.

Life cycle of a Miele domestic washing machine (4-person household)

Programme type	Cottons 95° C	Cottons 60° C	Cottons 40° C	Minimum iron 40° C	Delicates 30° C	Woollens 30° C	Silks 30° C	Total
Uses per year	10 x ⁽¹⁾	102 x ⁽¹⁾	16 x ⁽¹⁾	96 x ⁽¹⁾	80 x ⁽¹⁾	6 x ⁽¹⁾	10 x ⁽¹⁾	320
in percent	3%	32%	5%	30%	25%	2%	3%	100%
Programme duration in minutes	126	119	115	79	59	39	36	
Hours per year	20.16	203.09	30.67	126.40	78.67	4.16	5.76	468.91

Designed min. life expectancy: 10,000 > Duration of all programmes in hours per year: 468.91 > Life expectancy over 20 years

(1) Figures rounded off

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Better quality

Cast iron weights for washing machines, hand-burnished surfaces on cooker hoods, PerfectClean finishes in ovens, the electronic controls developed and manufactured by Miele – there are any number of “tangible” examples that serve as proof of Miele’s unique quality. They are often not visible at first glance, such as the cast iron weights. Miele is the only manufacturer who uses counterweights made of cast iron, produced in the in-house foundry in Gütersloh. Concrete counterweights are the standard, but these cannot withstand the high spins speeds over time and become porous and defective. This does not happen with cast iron.

Clearly visible to the consumer are the advantages of the patented Miele honeycomb washing machine drum, for example. With regard to this innovation, the Laundry Research Institute at Krefeld reported: “After 15 wash cycles using pre-damaged standard cotton cloth, Miele’s Softtronic showed significant benefits compared to other machines. The surface of the laundry did not

exhibit any pilling after a programme that included a spin cycle in the Miele Softtronic machine. The laundry lay loosely in the drum.” The tumble dryer honeycomb drum has also had its gentle treatment of laundry confirmed by certification – by the independent Hohensteiner Institute. This research institute for textile care, located in Bönningheim in Stuttgart since 1946, certified that Miele’s honeycomb drum ensures more uniform drying and reduced creasing.

Miele quality is also repeatedly confirmed by the regular testing carried out by the Stiftung Warentest and in international comparative tests. Here Miele machines occupy the top positions again and again. (See page 26)

Quality has always been the top priority at Miele. This high quality naturally also has a high price. But, as Dr. Reinhard Zinkann, Managing Director and co-proprietor of Miele & Cie. KG stated in an interview with a specialist magazine: “If quality, period of use and price are taken as a whole, then Miele machines are superb value for money. Miele appliances are quite literally worth the money.”

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The Miele product range

Domestic appliances:

- washing machines (front and top loaders)
- washer-dryers
- tumble dryers
- rotary ironers
- built-in ovens
- hobs
- cooker hoods
- steam ovens
- built-in coffee machines
- microwaves
- plate warmers
- dishwashers
- refrigerators and freezers
- wine storage units and wine coolers
- vacuum cleaners

Appliances for commercial use:

- washing machines
- tumble dryers
- ironers
- washer-disinfectors
- commercial dishwashers

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Miele test winners

“Best model in test: Miele.” This is often the result of national and international product tests. Alone in the exhaustive test series run by the Stiftung Warentest (StiWa) (Germany’s leading consumer association), in the past two years no fewer than six Miele models led the field by a wide margin (see table). In addition to many pure product-related properties, such as washing, drying, suction, etc., criteria such as energy consumption and, for vacuum cleaners, emissions are also evaluated. Miele machines also regularly did well in comparison tests run by the “Öko-Test”, a well-known German magazine for consumers.

Model	Position	Stiftung Warentest
Tumble dryer T 7744 C/T 7734	rating: good (2,0/2,2)	October 2006
Washing machine W 254 (top loader)	test winner (rating 1.9)	Sept. 2006
Dishwasher G 1220 SCi	rating: good (2.1)	July 2006
Fridge freezer KFN 8667 S-2	best rating 1.8	October 2005
Washing machine W 2241 WPS	test winner (rating 1.8)	September 2005
Vacuum cleaner Tango Plus	test winner (best rating 2.0)	April 2005
Vacuum cleaner S 849 + SEB 234	best rating good	April 2004
Washing machine W 2577 WPS	test winner (rating good)	September 2004

A night scene of a Miele Experience Centre. The building is illuminated with warm lights, and the Miele logo is visible on the facade. Several palm trees are in the foreground, their fronds silhouetted against the bright sky. A large firework is exploding in the sky, creating a bright, starburst pattern. The overall atmosphere is festive and celebratory.

Miele

EMOTIONS

EMOTIONS

The brand appeals to the senses

Miele is a fascinating brand with many illusive associations. Miele stands for adventure. Cooking, washing or enjoying a cappuccino right out of the coffee machine with Miele appeals to the senses. This world of experience is communicated world-wide by the Miele Showrooms and Miele specialty dealers. Their work, expertise and expert advice are a substantial element of the success of the company. Miele works all over the world with

qualified dealers who cooperate with the respective subsidiary in their country. Training seminars and events are offered regularly during which dealers can get to know new products and innovations, or enjoy further education in other areas. Miele offers the opportunity of learning about nutrition, for example, from Miele nutritional experts. This gives Miele dealers the opportunity of distinguishing themselves not only for their purely technical knowledge, but also their expertise regarding the topic of healthy and delicious food.

EMOTIONS

Miele customer service: Test winner for 14 years in a row

Fast and qualified help is needed when a domestic appliance suddenly stops operating correctly. According to consumers, Miele Factory Service has been offering the best service in the branch in Germany for many years now. Since the first Kundendienst Monitor Deutschland in 1992, Miele Service has been consistently ranked number 1. The following different areas are evaluated:

- Speed of response
- Adherence to set appointments
- Competence and know-how of the service technician
- Problem solving
- Friendliness of employees

More than 400 Miele technicians in the domestic household area and 220 Miele technicians in the commercial area are in the field working for our German customers every day. Strategically distributed over the whole country, they ensure fast

service, and work orders are completed within one to two days as a rule.

Thanks to extensive training, continuing additional training courses and product training seminars, Miele service technicians have up-to-date know how at their disposal, an absolute must for responsible and proper repairs. Additionally, every technician is specialised in a particular product area and always has all the essential replacement parts in his service vehicle. This means that an appliance can be fully repaired on the first visit 90% of the time – no spares need be ordered that would require another visit.

Computer support means that the appointments for Miele Service can be planned exactly. Computer controlled route planning ensures that vehicles and other resources are optimally deployed, which is in the best interests of both the customers and the environment. Another service has been available to customers for a while as well: they can request repair services and make an appointment with a technician online via the internet.

The spare part and tool selection of every technician is designed to best suit his individual area of expertise. Additionally, the selection of spare parts

EMOTIONS

available is adjusted according to the repair service requests made and missing parts are delivered directly to a technician's vehicle overnight. Dealers and end customers also receive material orders within 24 hours. Miele also guarantees customers that they will still have access to spare parts even more than 15 years after a model has been discontinued. At the present time, 63,000 different spare parts are stocked and shipped all over the world.

Miele is the first choice, and not just in Germany. Miele Service is available in every country in which Miele is represented by a subsidiary. Their respec-

tive quality is regularly assessed with customer questionnaires and independent tests. Miele has won the KVA Service Award in the B2C (business to consumer) category awarded by the Kundendienstverbandes Österreich every year since the prize was first awarded in 2000.

In Great Britain, Miele has succeeded in winning the Total Quality and Excellence Award (TEQ) from the independent Domestic & General Company every year since 1998. This prize is awarded based on regular customer polls.

EMOTIONS

Awards for successful activities:

1994

Environmental prize for the German Federal Environmental Foundation for Miele's work with the Environmental Initiative of Businesses in the Gütersloh area, of which Miele was a founding member.

1996

Award for the environmental approach at the production facilities in Warendorf by the Association of Independent Companies (ASU).

1996 + 1998

Award for the environmental approach at the production facilities in Oelde by the Association of Independent Companies (ASU).

1998

Award for an especially advanced environmental management system and for high commitment to company environmental protection by B. A. U. M., a German working group to promote environmental awareness at a managerial level.

1999

Right after its introduction to the market, PerfectClean was awarded a prize for scientific and business innovation in the Münster area by the Aktion Münsterland e.V. PerfectClean is a silicone-based surface treatment for oven cavities, baking trays and accessories.

1999

Rudolf Miele and Dr. Peter Zinkann inducted into the Manager Magazine's Business Hall of Fame.

2000

German Marketing Prize awarded to Miele.

2001

Miele awarded the BME Innovation Prize (German materials management, purchasing and logistics association). The BME Innovation Prize (German materials management prize) was awarded to Miele, the domestic appliance manufacturer, for innovative achievements and concepts that "clearly improved company results due to improvements in purchasing efficiency and logistics".

E M O T I O N S

2002

The Gütersloh domestic appliance manufacturer awarded the “Best Practice 2002” prize by the Institute for Productivity and Quality (IPQ). To guarantee “innovation, longevity and quality of products” by constant testing and setting the depth of the added value is, according to the jury, an “exceptional company achievement”.

1992–2003

According to consumers, Miele has the best after-sales service operation of any domestic appliance manufacturer in Germany. The Miele Service Department again took first place in the Kundenmonitor Deutschland (previously “Das Deutsche Kundenbarometer”), as has been the case every year since the study first began in 1992. Miele was rated a 2.13 (on a scale of 1 to 5 where 1 is the best) by the Emnid Institute in Bielefeld and was best in branch, again beating its own superb result from the previous year.

2002 + 2003

“Most trusted brand” award. Under the auspices of “Reader’s Digest”, a survey was carried out to find “the most trusted domestic appliance brand in Europe”. Result: Miele.

2003

The Steel Information Centre in Düsseldorf awarded the Miele honeycomb drum the Steel Innovation prize. The jury praised the “exemplary shaping properties of the stainless-steel material”. They further elaborated: “With this honeycomb drum, in which the number and size of perforations has been greatly reduced and their design matched to the wash cycle, the laundry is treated gently during both the washing and spinning cycles, even at high spin speeds.”

2004

According to the opinion of American interior designers and decorators, Miele builds the best dishwashers and therefore earned the award of “Best of the Best 2004”. The prize is given by the US magazine “House & Garden” that gives annual awards in various categories for the most praiseworthy products. Miele machines were viewed favourably by experts who said they were clearly superior to products from their domestic market and models from other European manufacturers. “House & Garden” reported: “The fully integrated dishwashers from Miele are simple to operate – you only need to press one button – and they are unbelievably quiet.”

EMOTIONS

2005

The company's proprietors are honoured for their lifetime achievements. Miele receives the German Entrepreneur's Prize. Along with Dr. Peter Zinkann, Karin Miele accepts the prize on behalf of her husband who passed away in 2004.

2006

Dr. Peter Zinkann is awarded the German Federal Cross of Merit, First Class, by the German President for his decades of dedicated commitment in economic, social and cultural areas.

Miele

TECHNOLOGY



TECHNOLOGY

Miele products show innovation

Retaining and expanding on our position as technology leader in the household appliance field is an objective clearly stated in the Miele company policy. The numerous innovations of the past years – more than ever before in the history of the company – have created strong growth impulses. The patented honeycomb drum, the innovative steam oven, the “intelligent” Navitronic controller with sensory controls, the compact S4 vacuum cleaner, the complete new model series for laundry care and dishwashers, fridges with LED lighting: the list of the highlights is a long one. A long labour-intensive development process is behind each one that involves state-of-the-art technology, the best engineering and design, and a great deal of know-how. Miele places great emphasis on ensuring that not just individual appliances stand out, but that the entire product range is the best it can be.

Washing machines have powerful drive concepts that rarely exhibit failures. The fact that they regularly receive the best ratings on the energy label for their energy efficiency, spinning power and washing

performance is no accident. At the same time, they are some of the quietest machines on the market. The patented Miele honeycomb drum gently cares for fabrics during washing and spinning thanks to its honeycomb-structured surface. The unique structure of the drum results in the creation of a water film between the laundry and the walls of the drum so that the wash moves smoothly. The wfk Laundry Research Institute at Krefeld confirmed this optimally gentle treatment of laundry. The enamelled front of the Miele washing machines makes them almost impervious to corrosion, scratches, impacts, dyes and acids. This keeps the machines looking new even after years of use. Miele developed the medicwash system for allergy sufferers. It thoroughly removes dust mites, germs and other allergens ensuring that laundry is washed and rinsed optimally for persons with allergies.

Washer/dryers are constructed so that they gently dry even delicate fabrics. The independent Hohenheimer Institute confirmed that the Miele washer/dryers ensure uniform drying even with different water qualities. In this process, the residual moisture in the laundry is electronically measured

TECHNOLOGY

so that the necessary drying time can be calculated exactly. Here too the patented honeycomb drum gently cares for the laundry. The honeycomb structure curves towards the outside and creates a cushion of air that gently catches the laundry. This also increases the time the clothes spend in the air, making them subject to less mechanical stress. Miele offers the medicdry dryer especially designed for allergy sufferers that can even dry pillows with no problem. This system ensures that at least 90% of the germs still present in the laundry are killed. The uncomplicated integrated condensate drainage system spares consumers the annoying task of emptying the condensate container.

Dishwashers offer perfect washing performance with minimal water usage (often a mere ten litres). They are also especially energy efficient, as the triple “A” on the energy label on many models attests. All machines can be attached to energy-saving hot water inflow. Individual washing programmes offer the right programme for every application, whether it be beer glasses, baby bottles or heavily soiled casserole dishes. The waterproof system closes the water intake valve in the case of a fault thus preventing any water damage from

occurring. The patented cutlery tray along with the height-adjustable upper basket allows for the optimal use of the inside of the machine. The child safety lock can be optionally activated, preventing the door from being opened when it shouldn’t be.

Ovens should also offer 20 years of service. Their energy consumption is low (energy label “A”), and the use of residual heat, energy-saving settings, and door contact switches all ensure additional energy savings. The PerfectClean coating effectively keeps foods from sticking to baking sheets, the oven tray, oven rack, and cavity. This means there is no need to clean using chemicals. The Navitronic control panel makes operation as easy as can be. Numerous easy-to-operate automatic programmes, for cakes and roasts for example, make cooking child’s play for anyone. ThermoClean Plus pyrolytic technology is a self-cleaning process for the oven. Its length is automatically controlled. The extremely high temperatures burn any and all residues to ash. Our policy here with regard to energy consumption is: as much as is needed, as little as possible. The higher energy consumption is balanced out by savings in time and on cleaners.

TECHNOLOGY

Our **hobs** have all the cutting-edge technical features: automatic switch off for spillages, HiLight heater elements, time-controlled safety cut-out and system lock. Induction ceramic hobs save a great deal of energy and time, and keep both food from burning and you from accidentally burning yourself. The reason: the glass surface remains relatively cool, for heat exchange only takes place electromagnetically. Thermoelectric flame failure monitors offers safety for gas cookers. The superb design speaks for itself.

Steam ovens ensure especially gentle meal preparation, where healthy enjoyment is guaranteed. Important active ingredients, the natural appearance, and individual taste of food is retained. The function concept of the Miele machines is unique in its mode of operation: An external steam generator ensures the optimal supply of steam without the undesirable addition of oxygen or dry heat that would interfere with the cooking process. This system also prevents calcareous deposits in the cavity. Miele steam ovens have automatic programmes with prompting, making them easy and safe to operate even for inexperienced cooks.

Cooker hoods provide high performance thanks to their strong motors, yet are very quiet due to extensive sound insulation: Double acting radial fans remove cooking vapours and odours effectively. The electronic controller optimally adjusts output, and check and change filter lights offer convenience. Stainless steel metal filters are easy to clean in a dishwasher and high quality halogen spotlights ensure optimal light in the cooking area. A high percentage of the manufacturing process is done by hand, guaranteeing unique quality.

Vacuum cleaners are regular guests in the upper echelons of international product testing. The model range is extensive: Target group models are designed to meet the need of allergy sufferers or pet owners for example. Thanks to sound insulation, Miele vacuum cleaners are pleasantly quiet despite their powerful motors. The quality is apparent in the details: a parking system, our 3-point steering system on steel-supported castors, smoothly running floor attachments, ergonomic handles and a large operating radius add comfort and convenience. The thermoprotection function keeps machines from overheating, and our cable hooks function

TECHNOLOGY

perfectly even after years of use. The bag and filter system protect even the sensitive airways of allergy sufferers. Many features are only available with Miele appliances. HEPA certification and the TÜV, the German Technical Inspection Agency, seal speak for themselves, confirming that the vacuum cleaners from Bielefeld are capable of reducing pollutants in normal indoor air. The “Allergotec” vacuum attachment takes it even one step further: a hygiene sensor calculates the concentration of allergens on the floor that is then indicated by a signal light.

Further information, also about other Miele products and the commercial appliance sector, can be found in the internet under www.miele.de and obtained at the product information number 0180/52 52 100.

800,000 washing machines, 350,000 tumble dryers, 550,000 dishwashers and two million vacuum cleaners: the sales figures for Miele appliances (financial year 2005/2006) speak for themselves – but also for the quality and effectiveness of the production facilities. Ensuring that these are equipped with state-of-the-art technology is a requirement for successful production. Many facilities are even exceptionally progressive or unique, such as the dishwasher production line in Bielefeld. In 2004, a facility for wash cabinet manufacture was installed. The core of this new manufacturing section is the unique and patented “five-sided interior high pressure extruding” process. Over 60 million euros were invested in the new dishwasher generation in Bielefeld. It is traditional at Miele that the lion’s share of our profits is reinvested, for this is the only way of ensuring competitiveness and the desirable technology leadership.

TECHNOLOGY

Washing machines and dishwashers: Ready for the future with the update function

Miele appliances are known for their durability. However, technical progress does not stand still during an appliance's 20-year expected life cycle. In order to ensure that longevity and innovation are not mutually exclusive virtues, Miele was the first manufacturer to introduce the update function for domestic appliances back in 1995. This allows the programmes for washing machines and dishwashers to be downloaded or changed as often as desired, so they can be adjusted to suit current needs (due to new fabrics or detergents for example) even after years of loyal service – a plus for the environment.

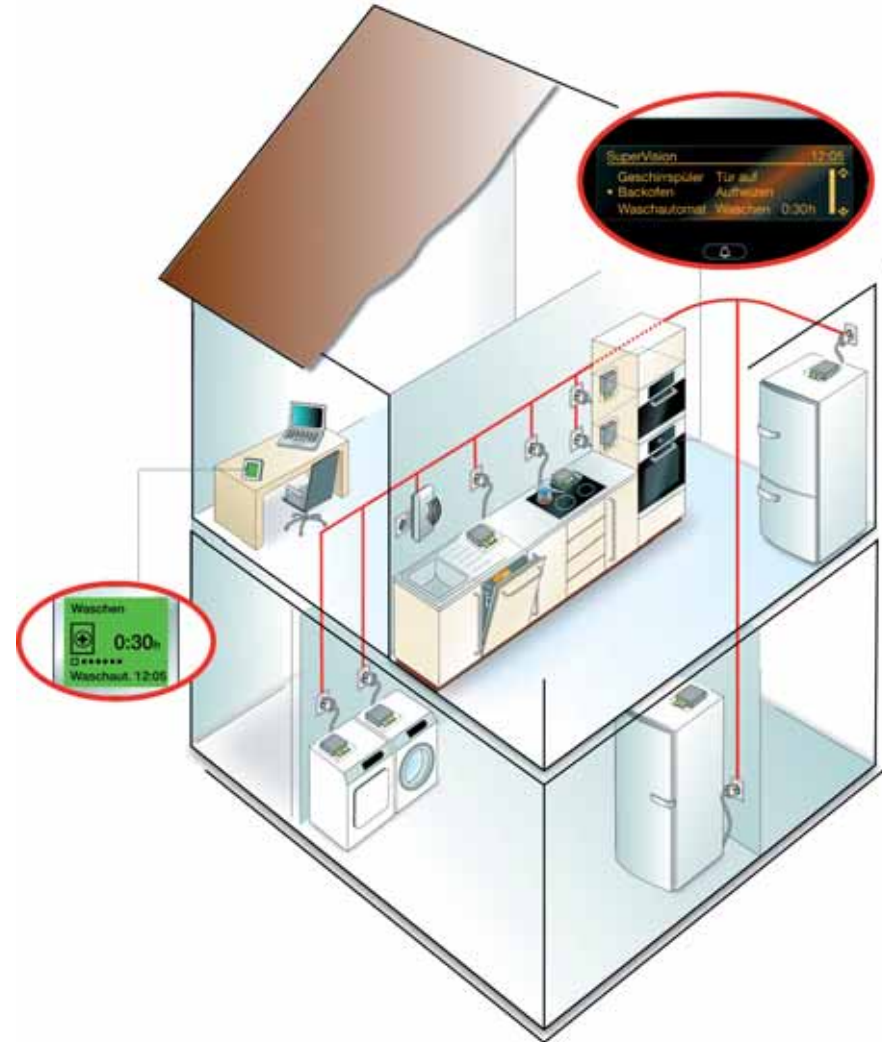
This is made possible by the electronic control and complex sensor technology of Miele appliances. The programmes, i.e. the software, can be modified or exchanged retroactively by the service department. This takes place over an optical interface on the fascia panel. This interface allows a service engineer's laptop computer to be connected to the machine via a fibre optic lead to download fresh data. An additional positive side effect of this technology is that in case of a machine fault, the technical may be able to identify the possible cause via the optical interface link and then rectify it quickly and easily. To date, the first and only programme update to save water and electricity in washing machines was distributed in 1998.

TECHNOLOGY

Miele@home is making homes more “intelligent”

Miele gave the initial impulse for the development of the networked home in the summer of 2004 with the introduction of InfoControl. More convenience, additional security and a number of different services – in addition to the technological fascination – are intended to distinguish it. While public interest in the “intelligent house” is extensive, in reality consumers are still waiting and holding back. They prefer solutions that are closer to the day-to-day and are for practical use. Like InfoControl or the new Miele@home SuperVision.

While InfoControl is designed as a mobile control unit, SuperVision involves a stationary status report on the ample TouchControl display panel of the Navitronic oven. Programme status, tips and faults are reported for the appliances connected to the system. As such, all appliances – no matter if it is the washing machine in the basement or the completely integrated dishwasher in the kitchen – are controlled over this central location. The SuperVision function can be used independently or in combination with Miele@home InfoControl. The mobile InfoControl unit also informs its users of



TECHNOLOGY

the status of all Miele appliances connected to the system and prompts action where necessary. This could be the simple fact that the laundry is done or a tip to turn the roast. And in the event of a fault, such as a freezer door left open by mistake, InfoControl issues an immediate optical or even, if desired, acoustic alert.

Both Miele@home SuperVision and InfoControl are easy and simple to install. Data is transmitted through the electrical wiring, making additional

cables unnecessary. The Miele concept for the networked home gives users peace of mind, making it more than just a high-tech toy. The system can be of great assistance to people with physical disabilities or the elderly whose movement may be restricted, helping them to deal with the often difficult to manage daily tasks.

Miele

RESPONSIBILITY



RESPONSIBILITY

The Miele employees

Committed employees guarantee the high quality of Miele appliances and stand for excellent service all over the world. It is important to us that Miele customers are always more than merely satisfied. 15,019 people worldwide (as of June 30, 2006) work for, and identify with, the company today. Every single one of them bears responsibility for the application of the company motto of “forever better”. Most of them are well aware of this and fill the oft-cited concept of the “Miele family” with life and vitality. Frequently the second, third or even forth generations in a family are loyal Miele employees or “Mieleians”. The fluctuation rate is very low. In the history of the firm, there have been over 9,100 employees who have celebrated at least 25 years of working together for Miele’s success, in many cases even 40 of 50 years with Miele.

How “Mieleians” define themselves: They are frequently involved in the company suggestion scheme (see pages 19/20), strive to stay current by participating in the open further education programme and go above and beyond the call of duty. The apprentices from the Bünde factory are one

example of this dedication. They successfully took part in the German national “Jugend forscht” (youth researches) competition, taking first prize for the state in the workplace category. The two apprentices constructed a device to thermically shape plastic parts on a water container. Their process turned out to be very practical and is now in use for the production of steam ovens at the factory.

The structure of the employees

Of the 15,019 employees, over 11,000 work in Germany, 4,538 of whom are involved in the sales and service centres. 10,481 employees work in the 11 factories (as of June 30, 2006).

The proportion of **female employees** within the company is around 23.2% (2004: 24%). Recruiting women for technical trades, of which there are many at Miele, remains difficult despite special efforts being made such as “Girls day”. At the administrative headquarters in Gütersloh and the sales centres, women are actually in the majority but regrettably they are very seldom in senior positions. In the white collar areas the classic role divisions are still dominant, i.e. many women leave work when they start a family to care for the

Unless otherwise stated, the data used refers to the calendar year 2005.

RESPONSIBILITY

children. The opportunity of taking long-term parental leave is currently taken advantage of in the factories and sales and service centres by 146 women and two men (2004: 205 woman and one man).

The biannual award ceremonies for employees celebrating long service jubilees with the company reveals the multi-nationality of Miele. Employees from foreign subsidiaries are brought to Gütersloh to celebrate their jubilees together with their German colleagues. During their factory tour it is quite obvious to the visitors that the **workers of foreign descent** are fully integrated here. It is a tradition that the colleagues of those commemorating a jubilee with the company decorate their workplace to celebrate the occasion. These decorations are often very imaginative and elaborate. There are often many employees of Greek or Turkish extraction among the employees being honoured, and they are represented in the work force with 2.53% or 2.13% respectively. These employees have often been with the company for 25 or even 40 years, and sometimes their adult children have joined the Miele workforce as well. In the Gütersloh factory,

Muslims have been provided with a quiet area where they can go to pray. The proportion of foreign workers in the Gütersloh and Bielefeld factories is 6.1 (2004: 7.1) and 9.1 (2004: 9.8) percent respectively. In the sales centres it is 1.6% (2004: 1.8%)

The proportion of **severely disabled persons** in the factories ranges between 4.75 and 6.77%. Since Miele places numerous orders with homes for disabled people and other similar institutions, we meet the quota for severely disabled persons of 5% required in Germany for large companies.

Many subassemblies for production are prepared by persons with handicaps. In the nearby disabled persons' workshop in Freckenhorst, for example, light assembly and packaging work is carried out. Patients at the Bethel hospital in Bielefeld are responsible for completing other suitable tasks such as pre-assembly of mounting brackets. In Gütersloh the Dalke gGmbH* institution provides occupational therapy for patients with psychological difficulties. They prepare subassemblies for tumble dryers such as hinges, drum ribs, and condenser boxes.

*gGmbH – Community company with limited liability

RESPONSIBILITY

Work-time models

Currently about 6.7% (2004: 3%) of the workforce participate in a special scheme for taking early retirement. There are many different part-time models available for all employees. In addition to the classical reduction of working hours, there are also models that involve a full workday. For example there are employees who only work two or three days a week and part-time models are also available for the night shift. In administration, Miele offers combinations of part-time work and flexitime which are mostly used by women with young children. These employees are also taking an increasing interest in telecommuting positions. This method of regulating working time is being explored further – to what extent is still to be decided.

Social contributions and grants

Whether in recognition of years of service or a silver wedding: Miele provides its employees with special bonuses. This is how the company shows its regard and these grants symbolise the interest the company takes in the personal life of each and every person in the firm. These grants include contributions to the costs of spa treatments, dentures and dental work. Additionally awards are also given to mark special occasions such as births,

weddings and deaths, “special” birthdays and long-service jubilees. In addition to these awards, the company offers further social support in excess of any tariff agreements, such as canteen subsidies, travelling money, protective clothing and special savings scheme contributions. The so-called “Job ticket” is a special ticket for local public transport that is offered by Miele at a subsidised price. 990 (2004: 1,147) employees in Gütersloh and Bielefeld alone take advantage of this ticket.

Pension funds

The company pension scheme also goes the extra mile. The Miele pension was first introduced in 1929 by the company founders Carl Miele and Reinhard Zinkann. Long before the provision of a proper state pension for all, it was an important support for company employees. Today the company has a building-block pension scheme in which an employee’s pension is based on his total income at Miele. This system provides a contribution to ensure the well-being of employees after they retire.

Independent of pension provisions, the company also supports senior citizens in other ways with, for example, direct insurance or incapacity insurance schemes offered to Miele employees at advantageous rates by a major insurance company.

RESPONSIBILITY

Training and education

Miele offers its apprentices and trainees wide-ranging systematic training. There are 16 technical trades at Miele and a further 6 commercial training courses. Both these areas are complemented by optimal sandwich courses which offer a university and trade qualification. During the period covered by this report, over 500 young people were in the process being trained by Miele. In addition to the extensive training opportunities offered by Miele, the company is also involved in wide ranging activities such as close partnerships with schools to assist young people in deciding on a career. An “Open house for education” takes place every year in each of the factories, during which students about to graduate can come with their parents and teachers to explore the educational and career opportunities offered by Miele. All occupations are equally open to both male and female applicants.

Technical training trades at Miele

- Electronic technician for operating technology
- Technician for systems technology
- IT specialist, Application development
- Foundry mechanic, Machine casting
- Industrial mechanic
- Mechatronic engineer
- Tool mechanic
- Cutting mechanic
- Process mechanic, Coating technology
- Process mechanic, Plastic and rubber technology
- Technical draughtsperson, Machine and system technology

RESPONSIBILITY

Commercial training trades at Miele

- Dialogue marketing specialist
- Wholesale specialist
- Industrial business studies
- Visual marketing designer
- Marketing communication specialist
- Social insurance specialist, Health insurance

Sandwich courses

Sandwich courses combine practical training in the Miele factories with theoretical study at a university or a university of cooperative education. In general, periods of practical training and study alternate every three months. This form of education is increasing in popularity, since there is a real need for highly qualified employees with good understanding of actual practice.

Technical area:

- Bachelor of Science, Electrical engineering
- Bachelor of Science, Mechanical engineering
- Bachelor of Engineering, Production technology
- Bachelor of Engineering, Construction design

Commercial area:

- Bachelor of Arts, Industry
- Bachelor of Arts, International business administration
- Bachelor of Engineering, Industrial engineering
- Bachelor of Engineering, Technical sales management
- Bachelor of Science, Information management

RESPONSIBILITY**Further training and education**

“Lust an Leistung”, which roughly translates as “avid for achievement” is the motto for Miele’s open programme of vocational and personal interest training courses. The history and development of the company would have been unthinkable without this “avidness for achievement”. Each year in Gütersloh alone Miele finances up to 100 courses and events that every employee can attend in his or her free time at no charge. Courses range from brand and company related topics like “the Miele strategy: using your own strengths, recognising potential” to technical and commercial areas and even include foreign languages and sport courses. In the financial year 2004/2005 1,790 employees participated in the courses and lectures in this open continuing education system.

Medical care

Miele Gütersloh, with its 4,893 employees the largest factory, has had its own works’ doctor service since 1973. At the medical centre an occupational doctor, three nurses and three doctor’s assistants carry out the legally required work-related medical checkups for all employees. Obviously this medical service is also available to deal with factory accidents, emergencies and sudden illnesses. Additionally the opinion of the works’ doctor is sought regarding questions of workplace ergonomics and when new workspaces are being designed and set up.

The Bielefeld factory also has a doctor and two nurses on site. In the other factories, contract doctors and first aiders provide the necessary medical care.

RESPONSIBILITY

Occupational safety

The safety of employees in the workplace is a key element of the company objectives.

The primary task of the factory safety department is to ensure that the health and safety of employees is protected and maintained. Occupational safety is an indispensable part of all responsibilities, and contributes to the success of the company and to job satisfaction.

Safe working practices must be taught, learned and maintained. Further education and training and instruction courses are the measures used to provide all employees with the necessary information and regular updates. Legal requirements and guidelines regarding accident avoidance and work safety are fulfilled completely and exactly. Regulations from professional associations and technical safety rules and instructions contribute to individual safety and safety for all, and must therefore be followed by everyone in order to avoid accidents.

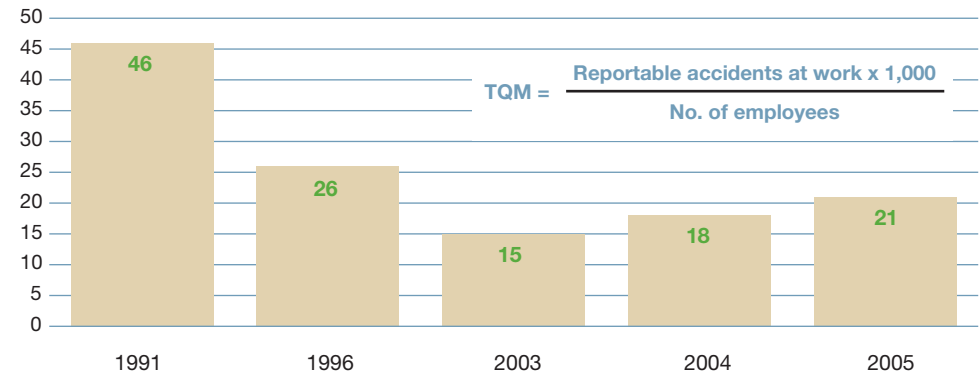
Within the factories, specially appointed factory safety specialists are responsible for work safety and health. 176 employees in the factories and sales and service centres work as safety specialists

in addition to their regular duties and serve as contact people for all employees. Both the factory medical service and the works council are involved in questions concerning workplace safety. Their involvement is necessary to help achieve the common aims of avoidance of accidents at work, occupational illnesses, and damage to health.

The chart shows the development of accidents at work over the years including 2003 for the Gütersloh, Bielefeld, Oelde, Warendorf, Lehrte, Euskirchen and Bürmoos factories. Starting in 2004 the Hong Da factory was added and as of 2005 the Uničov, Arnsberg and Bünde factories were also included. Since there is still great potential for improvement at these sites, the number of accidents at work shows a slight increase.

Development of number of reportable accidents at work Miele Germany

TQM = Reportable accidents at work per 1,000 employees, journey to and from work excluded



Miele

ENVIRONMENT



ENVIRONMENT

Miele appliances are economical – this is a basic principle that applies to all our machines. The development of the consumption figures presented on the next few pages refers to total production. This means: we don't hide behind an “ecological showcase model”. All the models of each respective product have been included in the calculation. At Miele, there is no one single image product. All our appliances are designed to be as energy conscious as possible.

Domestic washing machines

Since 1990 Miele has reduced water consumption by 42.4% and electricity by 29.2% in domestic washing machines.* These reductions are thanks to the consistent introduction of electronic controls combined with modern sensor technology. They have made it possible to optimise wash, rinse and spin processes to greatly decrease electricity and water consumption while at the same time increasing wash, rinse and spin performance. The following were the main contributors to the reductions in water and energy consumption:

- Temperature reduction via energy programmes
- Introduction of intelligent water intake control
- Introduction of electronic controls
- Load-dependent control
- Honeycomb drum and optimised wash programmes

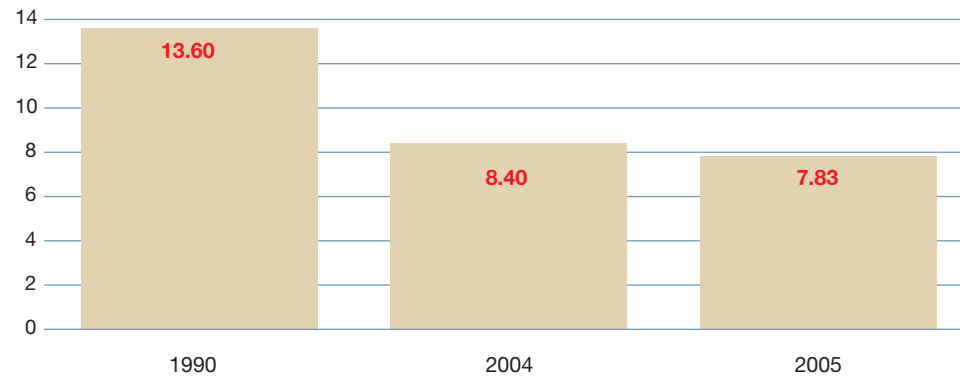
* Based on: Standard programme – Cottons 60° C without pre-wash

ENVIRONMENT

Development of consumption: washing machines

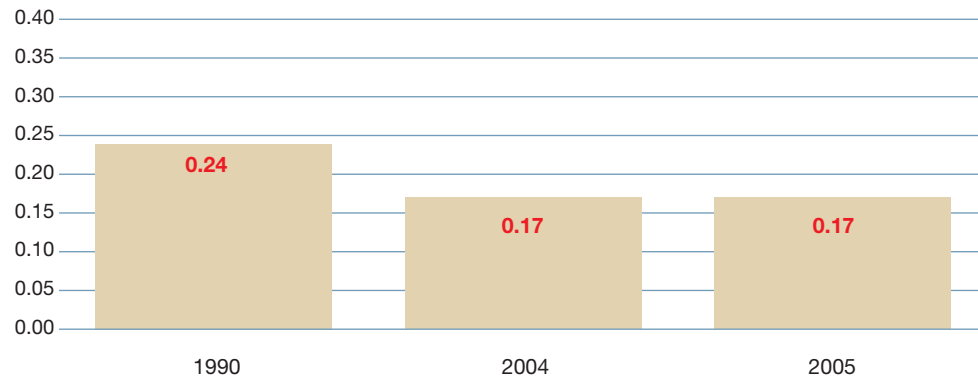
Reduction of water consumption
in l/kg dry laundry

over the course of 15 years: - 42.4%



Reduction of electricity consumption
in kWh/kg dry laundry

since 1990: - 29.2%



ENVIRONMENT

Top marks for energy efficiency

The consistent application of technological advances ensures that Miele washing machines have the highest levels of energy efficiency. As a result, all Miele washing machines manufactured in 2005 earned the classification A for energy consumptions and wash efficiency. The only variations were in spin efficiency classification depending on the spin speed selected by the operator. These results clearly show the value that Miele places on environmental protection.

Aim for the future: The energy efficiency and performance of Miele washing machines should be further improved by consistent application of technological advances.

Classification of Miele washing machines in accordance with the energy consumption marking law

Classification	Energy efficiency	Washing efficiency	Spin efficiency
A	100%	100%	33,5%
B	0%	0%	63,7%
C	0%	0%	2,8%
D	0%	0%	0%
E	0%	0%	0%
F	0%	0%	0%
Total production calendar year 2005			



ENVIRONMENT

Hot water operation saves energy

The Miele AllWater washing machines, including the current model W 3841, offer a special contribution to environmental protection. They can be connected to a hot or alternative water supply as desired. Compared to cold water operation, using the AllWater washing machine with a hot water connection can lead to considerable annual savings in particular on electricity. Our example projects average savings for a 4-person household.

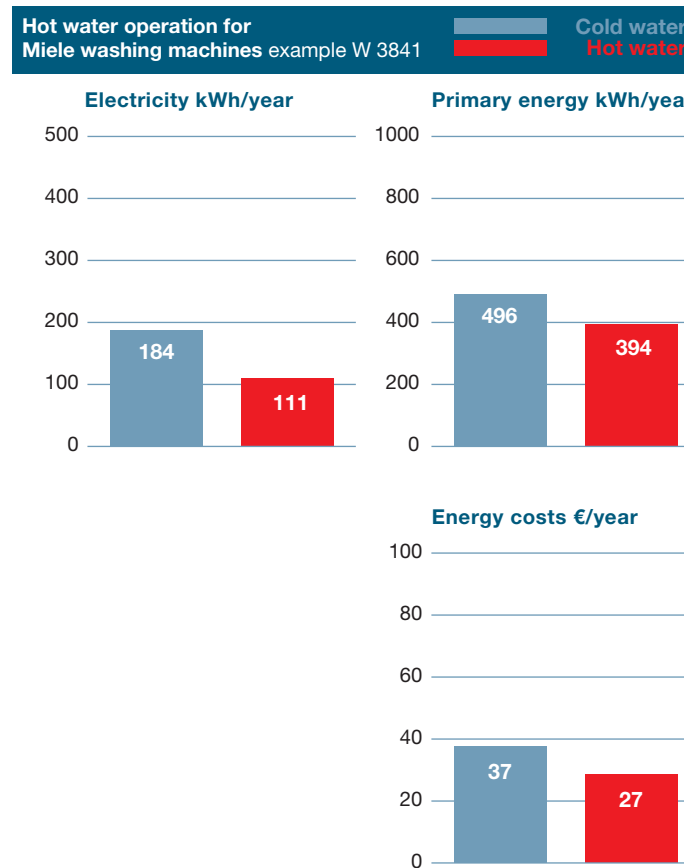
Savings:

- 40% electricity
- 21% primary energy
- 27% energy costs
- up to 9% total time

* 6% at 95°C (cottons)
 30% at 60°C (cottons)
 37% at 40°C (25% cottons,
 12% minimum iron)
 27% at 30°C (20% synthetics,
 7% woollens)

Calculation assumptions:

- 320 mixed programmes/year
 (distribution of washing temperatures in accordance with the Eco Top Ten criteria from the Öko Institute 2006)*
- Electricity cost: EUR 0.20/kWh
- Natural gas cost: EUR 0.06/kWh
- Energy utilisation factor: 37%
- Energy utilisation factor
 Hot water: 77%**
- Hot water temperature: 55°C
- Cold water run-off before hot is present: 0 l



ENVIRONMENT

Domestic dishwashers

The continuous further development of Miele dishwashers over the last 15 years has led to a reduction in consumption of water of approx. 50.3% and of energy of approx. 33.8%.* Water consumption has been reduced by the following:

- Modified water softening
- Optimised softener reactivation
- Modified circulation pump
- New filter technology
- Improved spray arm control
- Larger capacity
- New water path control

Energy consumption has been reduced by the following:

- Reduction of water consumption due to use of new wash and filter technology
- New drying systems
- Temperature reduction with economy programmes
- Larger capacity
- Electronic controls and monitors

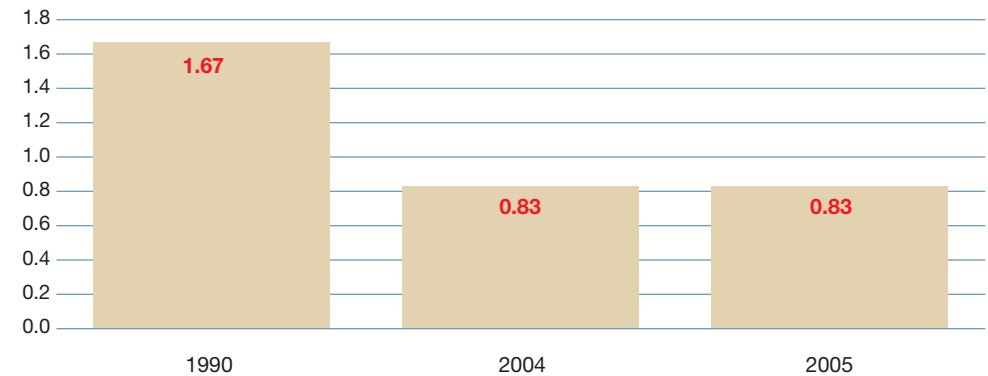
Salt consumption has been reduced by the following:

- Changeover from high-capacity to monobloc water softener
- New water paths (water inlet mixer for reactivation)
- 6-stage water hardness level selector
- Electronic water hardness sensor and adjustment

Development of consumption figures

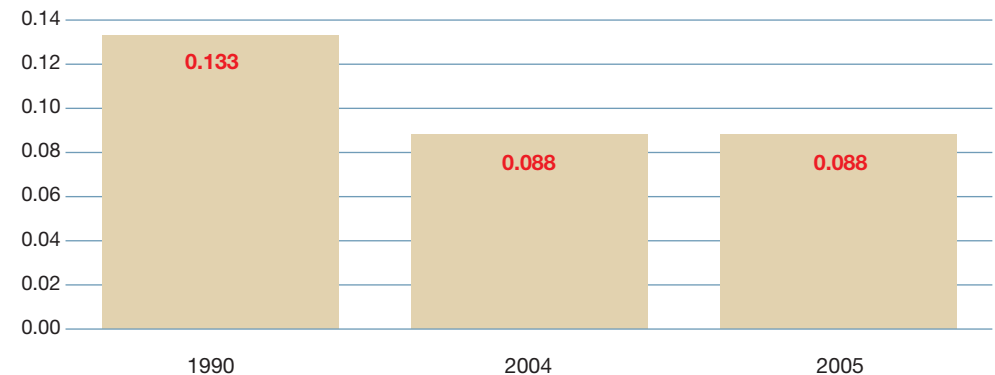
Reduction in water consumption in l/standard place setting

50.3% saving over 15 years



Reduction in electricity consumption in kWh/standard place setting

33.8% saving over 15 years



* Standard programme EnergySave (top and mid-range models)

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Dishwashers:

Save energy with hot water

Miele dishwashers can be connected as standard to a hot and cold water supply. Connecting to hot water can lead to considerable annual savings. The following example applies to a 4-person household:

Savings:

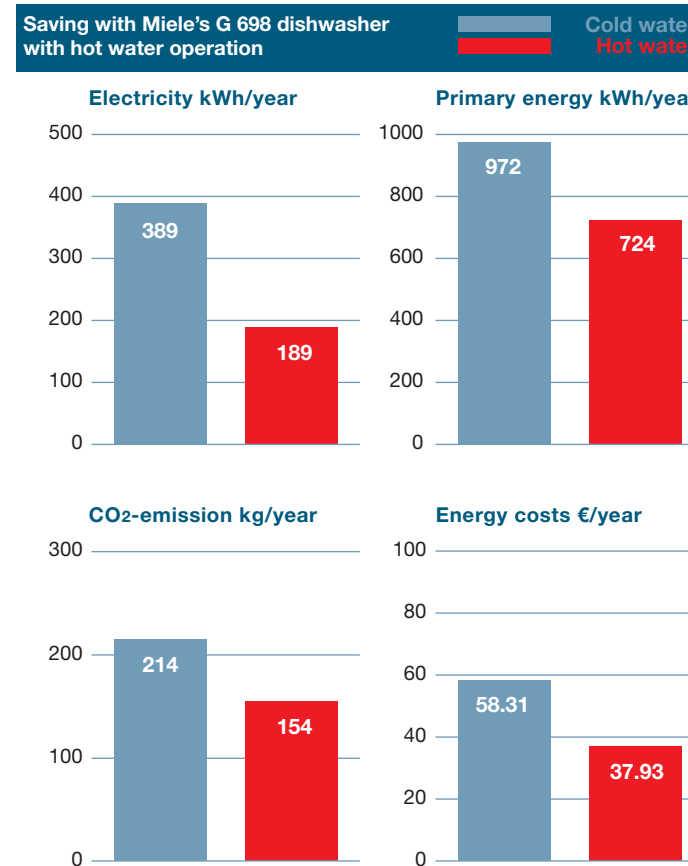
- 51% electricity
- 25% primary energy
- 28% carbon dioxide (CO₂) emissions
- 35% costs
- 17% time

Calculation assumptions:

- 4-person household
- 330 mixed programmes/year*
- Electricity cost: EUR 0.15/kWh
- Natural gas cost: EUR 0.038/kWh
- Energy utilisation factor: 40%
- Energy utilisation factor Hot water: 87%**
- Hot water temperature: 55°C
- Cold water run-off before hot is present: 0 l

* (65% Normal 55° – 25% Universal plus 55° – 10% Economy 45/55°)

** This factor takes into account the energy requirement for the provision of natural gas as well as an efficiency level for gas-fired water heating of 98%.



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The following summary shows that with regard to energy savings Miele does not just select one flagship model, but includes all those in a range. All dishwashers produced in 2005 by Miele had an A energy classification. The percentage of models that received the A classification for cleaning performance increased from 77.4% in 2004 to 87% in 2005.

For drying efficiency around 77% of all appliances produced in both 2004 and 2005 received an A. These improvements clearly show that at Miele energy efficiency is given the highest priority during product engineering and development.

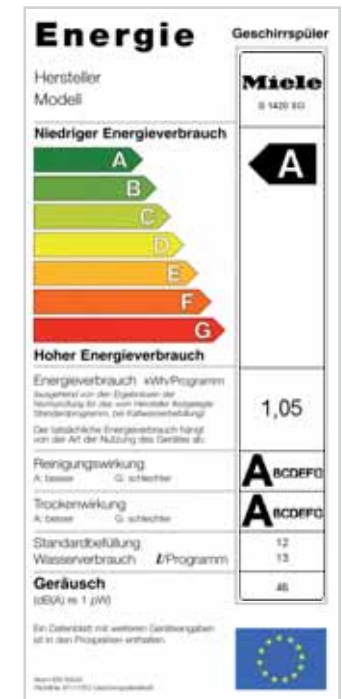
Enjoying success: Miele dishwashers are the most energy efficient on the market. The Stiftung Warentest ran a comparison test series on the energy and water consumption of dishwashers in spring of 2006. The results were clear: Of all models tested, Miele dishwashers took first place for the lowest energy and water costs calculated over a 10-year period of use.

Aim for the future: In the coming years the proportion of dishwashers granted a classification of A in the cleaning and drying efficiency categories should be further increased.

Classification of Miele dishwashers in accordance with the energy consumption marking law

Classification	Energy efficiency	Cleaning performance	Drying performance
A	100%	87.0%	77%
B	0%	13.0%	10.4%
C	0%	0%	2.5%
D	0%	0%	0.1%
E	0%	0%	0%
F	0%	0%	0%
G	0%	0%	0%

Total production calendar year 2005



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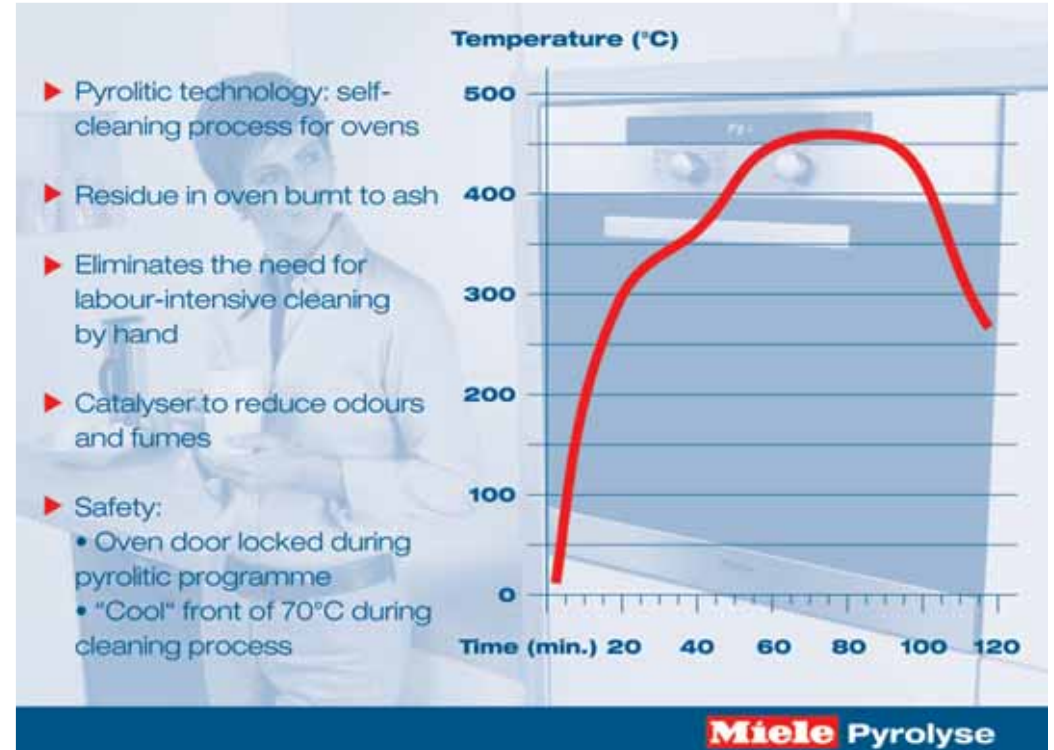
Domestic cooking and baking

The further development of fan oven technology combined with the possibility of using multiple levels of the oven at the same time, optimisation of heat insulation, electronic temperature control, as well as automatic residual heat utilisation have led to reductions in energy consumption in these appliances of around 29% in the period from 1990-2002. This is even more remarkable considering that the number of consumer benefits, i.e. the features, such as an electrical/electronic clock, catalytic cleaning of the vapours produced in the oven during baking (odour reduction), a cooling fan to reduce exhaust air temperature and electronic temperature monitoring, and an operational state indicator, increased greatly over that same time period.

The increase in specific electricity consumption in the time period from 2002 to 2004 is due to a modification in the standard for establishing the figure. A new form of measurement was introduced in 2003. With respect to 2004, energy consumption was again decreased in 2005 by 6.7% through application of the modified standard procedure. Consistent research and development work has enabled the power rating of the electronic timers be reduced to less than 1 watt. This ensures envi-

ronmentally friendly consumption levels during stand-by operation.

A further contribution to environmental protection is provided by the PerfectClean oven interior combined with the associated greatly reduced cleaning effort required. The oven cavity is cleaned using



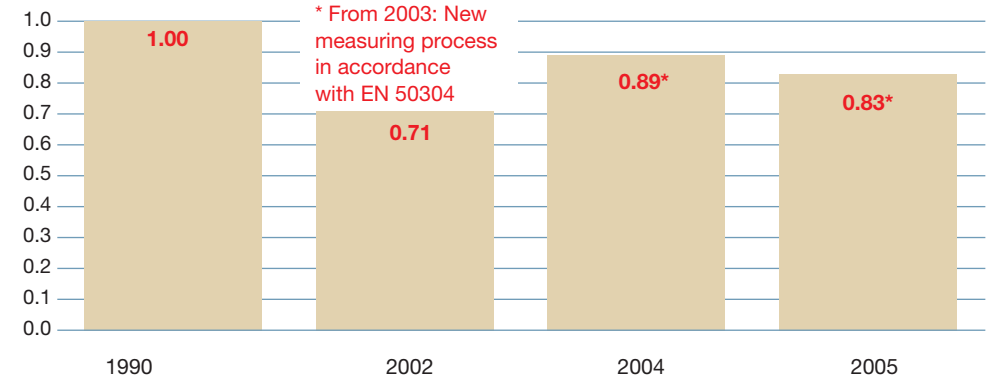
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pyrolytic technology that makes chemical cleaners unnecessary. Grease and other residue in the oven are burned to ash at very high temperatures during this self-cleaning process. The length of the cleaning process depends on how dirty the oven is and in the top models is adjusted automatically. Our policy here with regard to energy consumption is: as much as is needed, as little as possible. Miele pyrolytic technology is a very safe process since the oven door is automatically locked during the programme and can only be opened after the oven has cooled off sufficiently. The temperature right outside the oven does not get above 70° C.

Miele pyrolytic technology is not only very safe; it is also very economical. Assuming average use, the oven needs to be cleaned five to six times a year. Depending on how dirty an oven is, the energy cost per cleaning process averages between 60 to 80 cents. Added to this is a time savings of a number of hours a year and the fact that cleaners and oven sprays are no longer needed.

Our objective over the next few years is the continued improvement of the number of appliances with an A rating in production.

Reduction in specific electricity consumption



Classification of Miele ovens in accordance with the energy consumption marking law

Classification	Energy efficiency
A	90.2%
B	7.4%
C	2.4%
D	0%
E	0%
F	0%
G	0%
Total production calendar year 2005	

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Domestic refrigeration

As a result of the introduction of more effective insulation and the optimisation of the cooling circuits and their control, electricity consumption by fridges and freezers has been considerably reduced over the last 15 years. In freezers this was greatly aided by the introduction of compressors with cooling requirement-dependant power control.

Isobutene is now the only refrigerant used in all fridges and freezers. It is a CFC- and FC-free carbonated gas. Also insulation foaming for all refrigeration appliances is now only carried out using the CFC- and FC-free gas pentane, a member of the natural gas family.

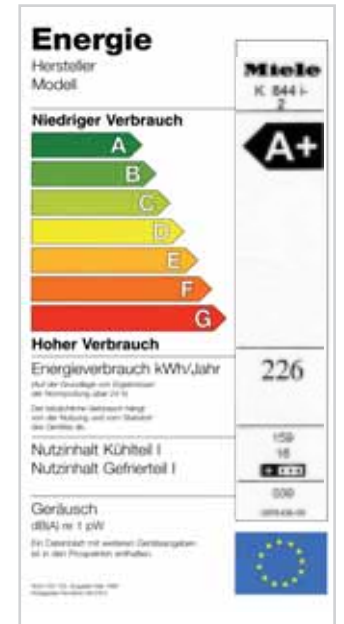
Both the gas in the insulation foam and the refrigerant have an ozone depletion potential (ODP) of 0 and a global warming potential (GWP) of less than 5.

As such, the gases used in the insulation foam and as a refrigerant are classified as absolutely non-critical with respect to protecting the ozone and the climate.

Aim for the future: To ensure that as many Miele fridges and freezers as possible continue to be granted A+ or A++ classification. This is a high target that Miele hopes to achieve through innovative further product development.

Classification of Miele refrigeration appliances in accordance with the energy consumption marking law

Classification	A++	A+	A	B	C, D, E
Upright/chest freezers					
Energy efficiency	11.1%	36.6%	47.7%	4.6%	0%
Fridges					
Energy efficiency	1.2%	50.0%	48.6%	0.2%	0%
Fridge-freezer combinations					
Energy efficiency	0%	14.2%	85.4%	0.3%	C 0.1% D, E 0%
Production volume from 2005					

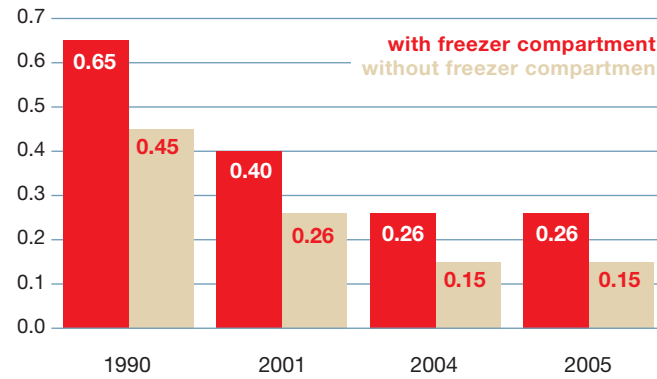


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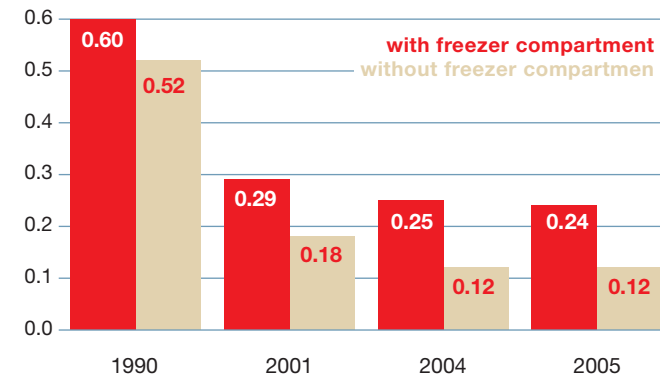
Miele fridges

Development of consumption figures

Reduction of electricity consumption per 100 l in 24 Std. Capacity up to 150 l - 60%
Savings over 15 years: - 66.7%



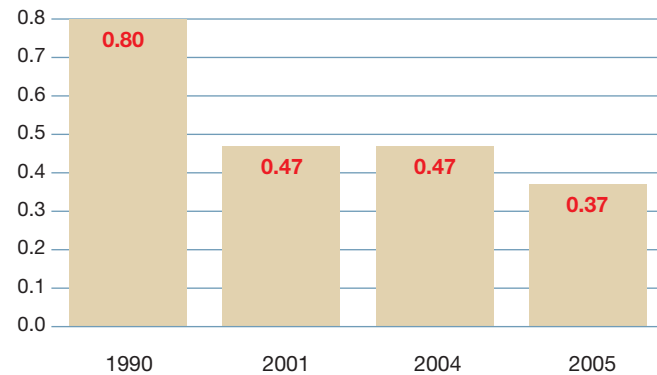
Reduction of electricity consumption per 100 l in 24 Std. Capacity up to 151-300l - 60%
Savings over 15 years: - 76.9%



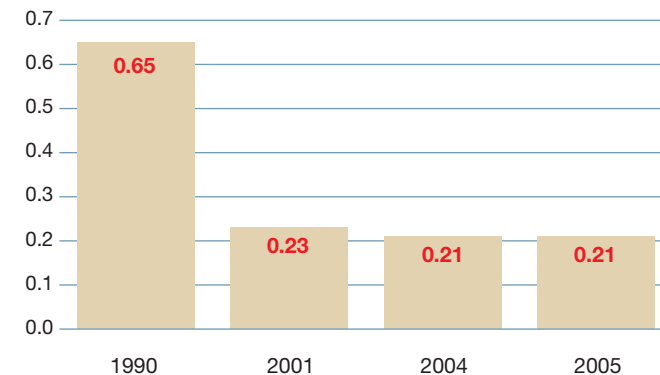
Miele freezers

Development of consumption figures

Reduction of electricity consumption per 100 l in 24 h Capacity up to 150 l - 53,75%
Savings over 15 years: - 53,75%



Reduction of electricity consumption per 100 l in 24 h Capacity up to 151-300 l - 67,7%
Savings over 15 years: - 67,7%



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**Commercial laundry care
with Miele Professional**

Machines and equipment for commercial use are known as “Miele Professional” models. They include washer-extractors and tumble dryers with a capacity of 7.5 to 32 kg for the hotel trade or laundries, for example. Our machines are designed to optimally suit their areas of application, and as such there are programme packets available for duvets, fire departments, horse blankets, and mops and cleaning supplies, for example.

Miele works together with customers who operate commercial Miele machines and installations to find the best solutions to treat the environment gently. One such example are the improvements made in wet-cleaning installations that clean outerwear in an environmentally friendly manner without the use of chlorofluorocarbons (CFCs) or perchloroethylene (PER). Miele has also designed numerous other processes, such as cleaning and degreasing in industrial cleaners: the cleaning process uses water and chlorine-free biodegradable detergents. The many industrial applications developed by Miele show that these systems achieve excellent results while at the same time being gentle on the environment.

In the commercial area too, washing at 60° instead of 95° is increasing in popularity. Thanks to the continual further development of the washing programmes and laundry technology, the results are just as good. This reduces operating costs and protects the environment since it uses less electricity.

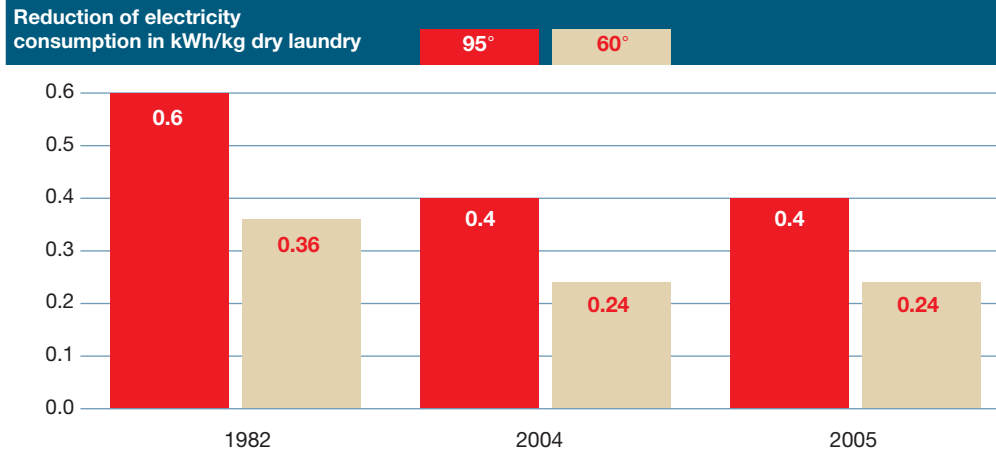
Technologies such as water recycling with washer-extractors, 2/3 pre-heated air recirculation with large tumble dryers or direct heating of rotary ironers all lead to reduced environmental impact and greater economy. Additional technological advances, such as a weighing system, a water inflow meter or a flow meter save on water and detergent,

Commercial tumble dryers guarantee high energy savings thanks to the shorter operation time when drying, the minimisation of composite material, and the absence of insulation due to newly designed air circulation processes.

With rotary ironers, exact temperature control and heat distribution reduce energy consumption. In future, melamine-coated particle boards and mineral fibre insulation will no longer be used in order to better protect the environment.

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Development of consumption values: Washer-extractors – Professional (heated electrically)



Reduction of electricity and water consumption over the past 23 years

Electricity 95° -33.3%

60° -33.3%

Water 95° -44%

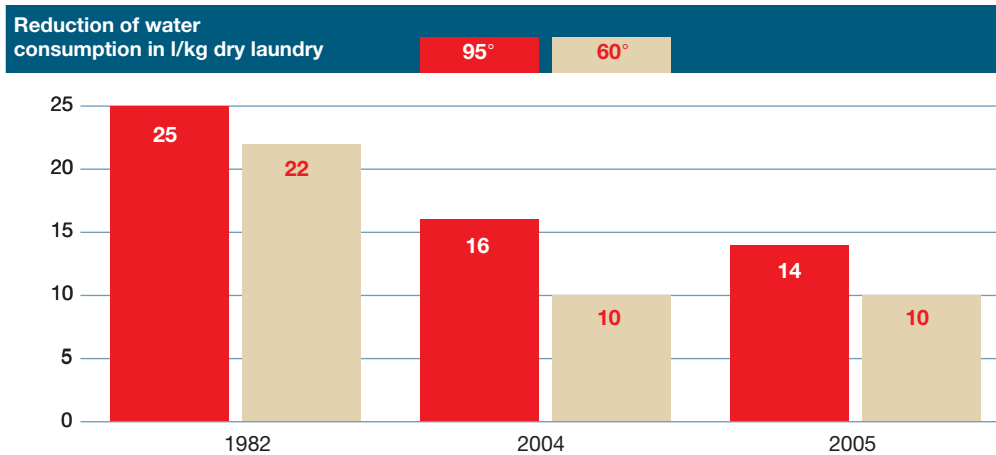
60° -54.5%

Savings potential using 60° instead of 95° programmes

Basis: 2005

Electricity: -40%

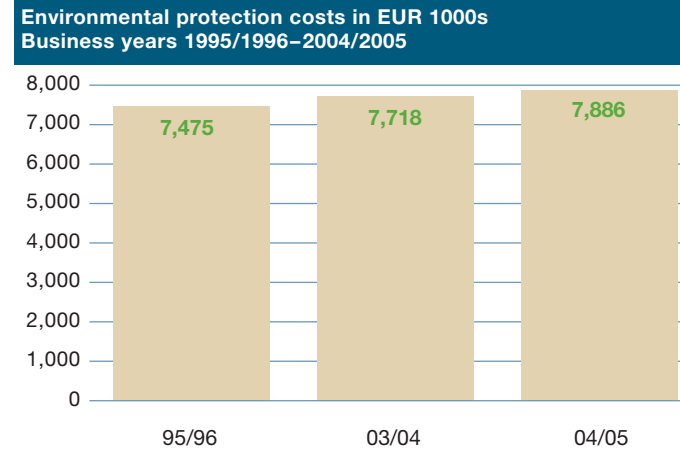
Water: -28.6%



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Environmental protection costs

Environmental protection costs are costs created by voluntary or legal environmental obligations fulfilled by the company. These expenditures are used to help avoid environmental impact. A clear division is made between running costs and investments. Running environmental protection costs are those for emission protection, lakes and river protection, waste management and noise and vibration protection in the form of service, maintenance, and repair. They also include other services, disposal costs, analysis, administration costs, etc. The costs are established in accordance with the guidelines set out by the Federal Office of Statistics who require an annual survey of such outlays.



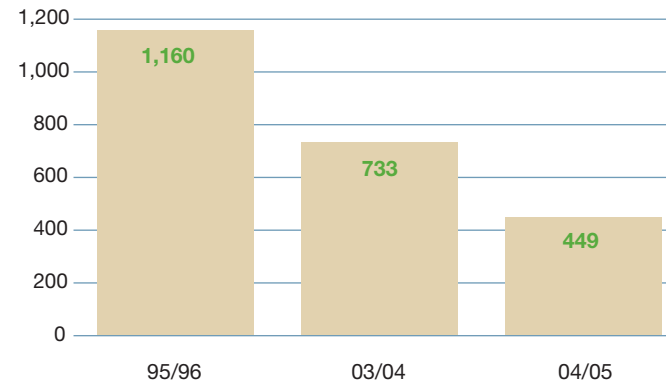
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Investments in environmental protection

Environmental protection investment costs are those for installations for emission protection (e.g. filter systems, measuring instruments), lakes and river protection (effluent treatment plants, catchment basins and pans, secure drain systems), waste management (waste sorting systems, containers), energy management (heat exchangers, systems to use district heating, hard- and software for energy and environmental data recording) and noise and vibration protection (encapsulation of presses, vibration-absorbing press foundations). These investment costs can be established with the aid of the installation registers for all installations at the various factory sites. Investments are very strongly dependant on the exchange or new construction of production facilities and on the construction or renovation of the buildings.

The decrease in environmental protection investment costs shows that all the necessary investments here have already been made or that the switch to new environmentally friendly manufacturing processes means no secondary measures are necessary to increase environmental protection – a great step forward.

Environmental investment costs in EUR 1000s
Business years 1995/1996–2004/2005



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Works protection force and Miele fire service prevent environmental damage

Preventative and danger-avoidance measures also form a part of practical environmental protection at Miele. These duties are carried out by, among others, the works protection force and the Miele fire service. Along with the automatic fire alarm system, various technical alarms are also connected directly to the alarm control centre. In addition to system faults, technical alarms also monitor environmentally relevant data such as the pH values of effluent, levels of technical effluent in collection tanks, and many other parameters. Alarm and action plans regulate procedures should a warning signal occur. Well-trained employees in the works protection force then rapidly carry out the necessary remedial measures.

The officially recognised Miele fire service at Gütersloh and the corporate fire brigades at the

Bielefeld, Lehrte and Oelde factories play an important role in preventing environmental damage and in risk prevention. Technical and specialist expertise combine with the most appropriate equipment to ensure a high level of protection against danger to employees, the works and the environment. All factories enjoy a high level of safety ensured by constant monitoring and the training of a total of 80 active fire-fighters.

On the factory site, the main task of the works fire service is prevention. On request they also provide external assistance with equipment and manpower. The Miele fire service was one of 20 fire companies from the Gütersloh area called out in winter of 2005 to snowy Munsterland, where the largest power failure in the history of Germany had caused a state of emergency. There they helped provide those in need with warm blankets, emergency generators, and food.

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Material circulation: Higher metal content for good recyclability

Miele domestic appliances such as ovens, dish-washers, washing machines, tumble dryers and washer-dryers consist primarily of metal. The metal content of domestic washing machines for example is around 83% by weight. The proportion of metal in machines for commercial applications is almost 90%. These include catering dishwashers, industrial cleaners for metal-working and electronics applications through to large washer-extractors, tumble dryers and rotary ironers. This high metal content makes the shredding and subsequent fine sorting of end-of-life commercial machines economically and ecologically viable.

Even now, by reducing the number of materials, different screws and fastenings and via a complex arrangement of electrical and electronic components, Miele is ensuring that products can be easily separated manually in the future, in so far as recycling procedures will require this in future. This approach also means that less time is required should a repair be necessary.

The use of new recycling processes for old plastics can reduce the proportion of waste materials

Domestic washing machine materials

Example: front loader	weight 98.29 kg	
Material groups	Weight in kg	Proportion in%
Enamelled sheet metal	10.44	10.62
Steel alloys (stainless steel)	10.43	10.61
Unalloyed steels	20.60	20.96
Cast iron	29.70	30.22
Aluminium	1.90	1.93
Other non-ferrous metals	2.22	2.26
Drive motors	6.61	6.72
Metal proportion	81.90	83.32
Glass	1.63	1.66
Plastics / Elastomers / Composites	9.13	9.29
Electrical components / Cables / Wires	2.61	2.66
Electronics	0.49	0.50
Sundry materials	2.53	2.57
Non-metallic proportion	16.39	16.68
Total	98.29	100

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for disposal produced from shredding domestic appliances today to less than 10% of the weight of the appliance.

Aim for the future: In conjunction with recycling companies Miele is looking into the possibility of recycling technical plastics and elastomers currently considered to be waste materials needing disposal using economic and environmentally safe processes. In addition to the mechanical preparation of valuable plastics, other possible options for the use of these recy-

cles materials are as a reducing agent in blast furnaces for iron smelting, as a primary material for gasification in methanol production, as an alternative fuel in the rotary kilns of the cement industry, or in power stations. In all these processes discarded plastics and elastomers are substitutes for fossil fuels such as heavy heating oils and coal, thus helping to conserve these resources. At the same time these processes ensure the environmentally safe destruction of any existing critical materials in old plastics.

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Product responsibility for disposal as well

In the 25 EU member countries along with Norway and Switzerland, as well as in other countries outside of Europe, Miele has either created its own return and recycling system for end-of-life appliances of other brands as well or cooperates in collective systems. The objective here is the ecologically and economically sound return and recycling of end-of-life appliances, in combination

with either the return of the resulting materials to the economic cycle (if this is possible and makes sense) or with alternative recycling processes.

The material analysis (see table) for domestic washing machines shows that Miele appliances are particularly well-suited to a wide variety of recycling processes. Our objective it to continue to improve recycling methods and processes together with our partners from the recycling economy and as such do our part to protect the environment.

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Packaging: Where less is more

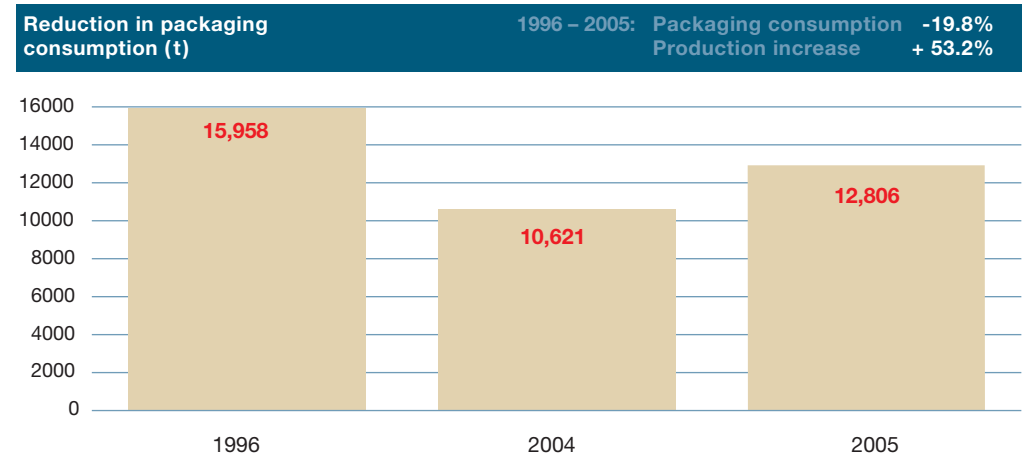
The protection of high-value technical machines against damage in transit is not just a service to the customer, but is also of great importance for ecological reasons. Damaged machines require new components or even complete replacement machines to be manufactured and this uses up valuable resources. Here the following motto applies at Miele: As little packaging as possible but as much as is necessary.

Through the use of the most modern packaging technology it has been possible for Miele to reduce the total consumption of packaging materials for transport and sales by 19.8% despite an increase in production of 53.2% during the period from 1996 to 2005. The increased amount of packaging used in 2005 as compared to 2004 is almost exactly proportional to the increase in the numbers of appliances produced.

Miele only uses packaging materials that can be recycled. The main components here are corrugated cardboard that consists of almost 100% recycled paper, polyethylene foil, untreated solid wood from properly maintained forests and expanded

polystyrene. With expanded polystyrene, 98% of the volume is air and only 2% is polystyrene – a pure hydrocarbon – and it is expanded using only steam and the smallest possible quantity of pentane, a natural gas. The following pages show details of the use of individual packing materials and their recycling systems.

Miele participates in packaging return schemes for the disposal of packaging in so far as they are legally regulated and exist.



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Miele transport packaging (Major domestic appliances)

Packaging material	Function
Corrugated cardboard or foil (PE)	Dust protection
Plastic formed sections (EPS, PUR)	Shock absorption
Solid wood	Support during lifting and clamping
Banding	Securing packaging

Miele sales packaging (Small appliances and spare parts)

Packaging material	Function	Application				
		Microwave oven	Vacuum cleaner	Accessories	Dustbags	Spare parts
Cardboard/Corrugated cardboard	Dust protection	•	•	•	•	•
Foil (PE)Anti-scuffing protection/Bag for small parts		•	•	•	–	•
Plastic formed sections (EPS)	Shock absorption	•	•	–	–	–
PUR foam/PE foil wrapped	Shock absorption	–	–	–	–	For large fragile parts

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Procurement

The market success of Miele products is closely tied to their quality and is indisputably related to the company philosophy of satisfying the high quality demands of its customers. Within the framework of the overall purchasing strategy and in accordance with the motto “forever better”, Miele always selects suppliers who follow a similar quality philosophy. The aim is to establish long term relationships with service-oriented and reliable partners. A basic requirement for this is an established quality system in accordance with DIN EN ISO 9000 ff. and compliance with the international environmental standard DIN EN ISO 14001 ff. or an equivalent environmental management system. Additionally, reliable compliance with deadlines and flexible fulfilment of contracts as well as a readiness to offer assistance and seek innovative solutions to technical problems are important factors in supplier selection. Furthermore, particular attention is given to ensure that social aspects, such as the prohibition of forced labour, child labour or discrimination, for example, are documented and complied with. (More information in the “Future” chapter starting on page 95.)

Environmental protection starts with the selection of materials

At Miele, materials not only have to fulfil our strict, high demands for quality. We also subject them to stringent ecological controls during material selection, for subsequent recycling is only worthwhile for high-quality and non-critical materials. Precisely documented procedural guidelines and extensive tests by our own specialist departments such as health and safety at work, environmental protection and the factory fire service, prevent critical substances, materials or operating supplies from finding their way into our production processes. This is also achieved by urging suppliers to replace critical materials that may be used in pre- or final production or in their own manufacturing processes by environmentally friendly substances wherever possible. As far back as 1984, Miele banned the use of cadmium, a heavy metal, as a stabiliser or colouring agent in plastics. Since 1999, this has also applied to lead and its compounds in plastics.

Polybrominated diphenyl ether (PBDE), used as a flame retardant and considered carcinogenic when burned, has not been used at Miele since 1988. Polychlorinated biphenyls (PCBs), sub-

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stances contained in capacitors and outlawed in 1987 on the grounds of their carcinogenic and poor degradation properties, were never used at Miele. This also applies to mercury. Because of Miele's consistent avoidance strategy regarding critical materials, Miele products already comply with the requirements of the European Union directive to avoid the use of critical materials in electrical and electronic products that took effect on July 1, 2006, and have in fact done so for many years. In areas in which action was still necessary, thanks to future-oriented measures and in cooperation with its suppliers, Miele was able to ensure that all products brought into the market as of July 1, 2006, fully met the demands of the "Restriction of the use of certain Hazardous Substances" (RoHS) EU directive.

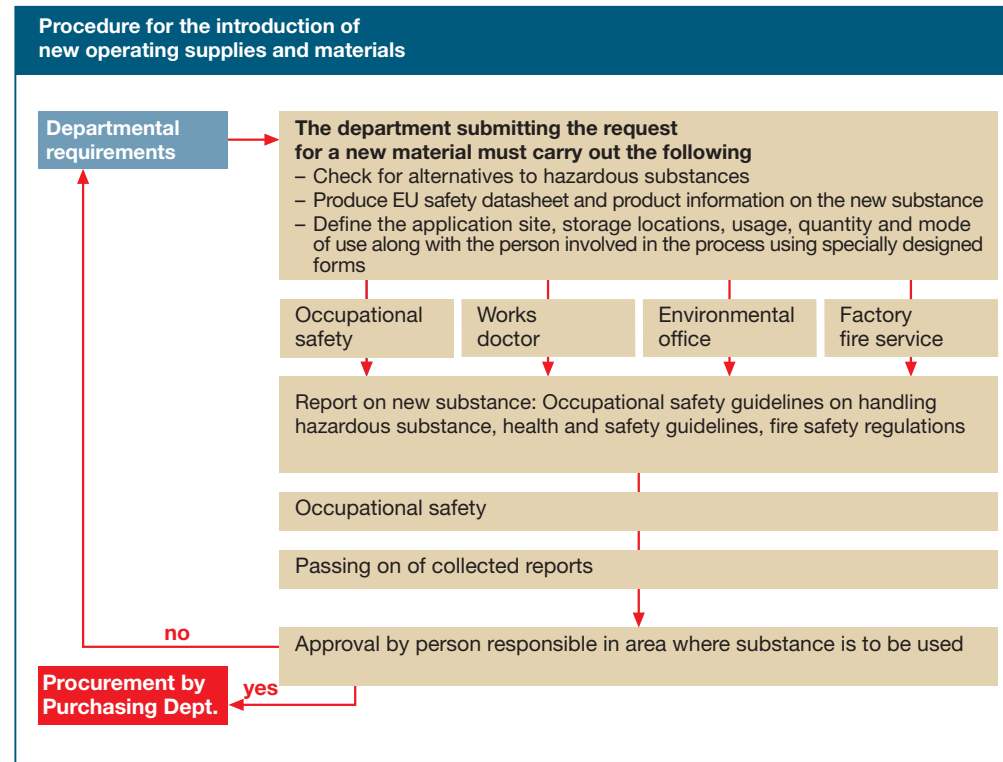
High quality plastics

Plastics are important engineering materials. For many applications they are superior to any other material. They are particularly resistant to moisture and to the effects of additives, such as those in detergents, and require very little care. As long as plastics continue to be manually sorted in the future for recycling, it is important that they are clearly labelled. To this end, Miele started marking plastics as far back as 1988 in accordance with the internationally valid DIN EN ISO 11469, 1043 and 1629 standards. This marking system includes information regarding the flame retardant method used in the plastic.

Today, the percentage of recycled plastics by weight in new products is still low. This is because there is still neither a guaranteed regular supply nor a sufficient quantity of standardised recycled plastic for continuous, large-scale industrial production.

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This schematic procedure for the introduction of new operating supplies and materials clearly shows that Miele places great store in the use of environmentally friendly materials.



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Environmental figures

Right from the planning stage of production systems and processes Miele applies the strategy of avoidance, reduction and recycling. Important requirements for this are on the one hand the use of the best technologies available and on the other the evaluation of environmental performance via the monitoring of environmental data.

Miele uses absolute environmental figures to verify its environmental data in accordance with DIN EN ISO 14031. This is because absolute environmental figures are the most informative and honest. They are the best way to show Miele's high vertical integration figure of almost 50% related to the added value. Due to Miele's objective of producing high-quality products, the requirements that the materials and production must fulfil are different. As such, the demands made of materials used

are higher here than elsewhere to ensure that Miele's high product lifetime target of at least 20 years is fulfilled.

At Miele, absolute environmental figures are not merely limited to process-specific data. Thanks to comprehensive knowledge of data origin, monitoring frameworks, production processes, extent of vertical integration and product life targets, and against the background of a timescale, absolute environmental figures are the best indicators for negative tendencies, allowing them to be recognised early so that the appropriate counter measures can be taken.

The notes concerning the absolute environmental figures in this section explain the reasons for changes that may have occurred. In conjunction with monitoring of the environmental targets and programmes, and the annual status reports, these figures provide the basis for setting new targets.

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Raw materials

Raw materials are required by a total vertical integration of over 50% at the various Miele factories for the manufacture of products.

The most important aims when procuring raw materials are to ensure the highest quality standards, the avoidance of critical substances, and easy economic and ecological delivery. Due to developments in process technology it has been possible for Miele to prevent the quantity of raw

materials used from increasing sharply with respect to the use of raw materials compared to the number of finished products produced. Applied to the base year 2004, the number of finished products produced in 2005 increased by 20.4%, whereas the use of raw materials increased by only 10.8%.

Aim for the future: Further reduction in raw materials consumption without affecting the proverbial longevity of Miele products.

Raw materials	2004	2005	Change [%] compared to previous year
	[t]	[t]	
Outsourced parts			
Metals	87,406	96,349	10.2
Plastics	9,646	11,355	17.7
Wood materials	2,006	2,062	2.8
Total	99,058	109,765	10.8

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Auxiliary substances

Auxiliary substances and additives must fulfil particularly exacting requirements at Miele as they remain in or on the product and must therefore be environmentally friendly throughout the entire life of the product. The now traditional internal and external enamelling of domestic washing machine, washer-dryer and tumble dryer casings as well as oven cavities should be emphasised. The electro-phoretic dip enamelling process developed by Miele and now patented worldwide has been used in series productions since 1998. Compared to previous enamelling processes, very uniform and hence much more durable enamel coatings are achieved with this new method. The enamel, made from mineral raw materials, similar to glass, is applied without the addition of solvents, thus protecting the environment. Also the powder coating of the coated parts of dishwashers and commercial machines does not require the use of any solvents. Inside and out, Miele does not use any solvents on principle.

With reference to the base year 2004, the use of auxiliary substances in 2005 was reduced by 9%, although the amount produced in the same

time period increased by 20.4%. One important influence has been the application of the electro-phoretic dip enamelling process on the enamelling of washing machines and tumble dryers. But also the disproportionate decrease in the use of foundry additives has led to an agreeable reduction of auxiliary substances. The increase in the consumption of welding wire can be attributed to the higher number of end appliances produced in part, and in part to a switch to other production processes.

Aim for the future: Additional reductions in the consumption of additives by the further development of process technologies.

Auxiliary substances	2004	2005	Change [%]
	[t]	[t]	compared to previous year
Paints, lacquers, additives	184	189	2.8
Powder-coating powder	141	130	-7.9
Enamel	735	635	-13.6
Solder, soldering additives	9	9	3.1
Welding wire	2.29	3.52	54.0
Foundry additives	218	207	-5.1
Total	1,289.29	1,173.52	-9.0

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Operating supplies

Operating supplies are needed in production processes. In keeping with the trend toward the reduction of the consumption of raw materials and auxiliary materials, in comparison to 2004 the use of operating supplies in 2005 saw an increase of 13.9%, well behind the increase in production of 20.4%. This does not apply to foundry supplies, for their consumption is inextricably linked to the number of finished products produced. The dis-proportionate decrease in other chemicals due to changed processes is especially pleasing, in particular in the enamelling installation at the Gütersloh factory.

Aim for the future: To determine the potential for reduction and take the results into consideration when planning new installations and processes.

Operating supplies	2004	2005	Change [%]
	[t]	[t]	compared to previous year
Acids, alkalines	605	609	0.7
Solvents	14	16	11.9
Oils, greases, lubricants	143	158	10.6
Foundry supplies	1,589	2,016	26.8
Technical gases	1,339	1,471	9.8
Other chemicals	353	336	-4.8
Total	4,044	4,606	13.9

ENVIRONMENT

Energy

The increase in electrical energy consumption of 8.3% in 2005 is relatively low when one considers the much greater increase in end appliances produced (+20.4%) in 2005, and as such clearly shows the success of the energy management programme that has been pursued by the company for years now.

The drop in natural gas consumption and the use of district heating can be attributed in part to measures undertaken to improve building insulation and in part due to the particularly warm weather in the summer months of 2005. Total energy consumption increased by a mere 1.2%, remaining considerably behind the production increase of 20.4% in 2005.

Aim for the future: Further continuation of the energy concept with the aim of using as much district heating as possible and converting the remaining oil-fired boilers to natural gas. This will lead to considerable reductions in sulphur and carbon dioxide emissions in particular.

ENVIRONMENT

In line with programmes to reduce overall energy use, the following measures are used at Miele to reduce energy consumption:

- Energy-saving lighting
- Compressors for technical air with air quantity monitoring to establish stand-by capacity
- Frequency-controlled drive motors
- Heat recovery from processes and room ventilation systems
- District heating from unit-type heating power stations for room heating in Bielefeld and Gütersloh factories
- Replacing oil-fired boilers with natural gas boilers
- Use of old wood (wood chips) in a solid fuel incinerator system with heat utilisation at Warendorf factory
- Optimisation of building insulation
- Heat-retaining glazing

Aim for the future: Further energy consumption reduction through energy saving programmes

Energy	2004	2005	Change [%]
	[MWh]	[MWh]	compared to previous year
Electrical energy	129,801	140,548	8.3
Light heating oil	1,009	1,019	1.0
Natural gas	93,624	90,901	-2.9
District heating	35,313	30,773	-12.9
Wood chips	5,784	5,582	-3.5
Total	265,531	268,823	1.2

ENVIRONMENT

Water

The fact that water consumption in 2005 only increased slightly in comparison to 2004 despite considerably higher production figures is the result of different optimisation measures, in particular a production line for sheet metal cooled with water from onsite wells. Interior door sheet metal production was switched to a new closed circulation cooling system.

Aim for the future: Identifying potential areas of further savings not only in manufacturing installations and processes but also in non-production-related areas.

Water	2004	2005	Changes [%]
	[m³]	[m³]	compared to previous year
Mains supply	119,903	124,205	3.6
On-site wells	180,087	177,524	-1.4
Total	299,990	301,729	0.6

ENVIRONMENT

Area development in the factories

Factory		Developed area	Undeveloped area			Total
				of which grass and gardens	of which paved and metalled	
		m ²	m ²	m ²	m ²	m ²
Arnsberg	2004	23,276	20,234	2,804	17,430	43,510
	2005	23,768	21,190	2,810	18,380	44,958
	Change	2.1%	4.7%	0.2%	5.5%	3.3%
Bielefeld	2004	62,300	54,289	10,889	43,400	116,589
	2005	62,300	54,289	10,889	43,400	116,589
	Change	0.0%	0.0%	0.0%	0.0%	0.0%
Bünde	2004	41,668	40,901	8,953	31,948	82,569
	2005	41,668	40,901	8,953	31,948	82,569
	Change	0.0%	0.0%	0.0%	0.0%	0.0%
Bürmoos	2004	11,321	22,789	13,053	9,736	34,110
	2005	11,321	22,789	13,053	9,736	34,110
	Change	0.0%	0.0%	0.0%	0.0%	0.0%
Euskirchen	2004	31,730	94,502	65,069	29,249	126,232
	2005	31,730	94,502	65,069	29,249	126,232
	Change	0.0%	0.0%	0.0%	0.0%	0.0%
Gütersloh	2004	187,482	238,930	85,756	153,174	426,412
	2005	187,420	238,991	86,423	152,569	426,412
	Change	0.0%	0.0%	0.8%	-0.4%	0.0%
Hong Da	2004	8,906	900	100	800	9,806
	2005	9,376	900	100	800	10,276
	Change	5.3%	0.0%	0.0%	0.0%	4.8%

ENVIRONMENT

Area development in the factories

Factory		Developed area	Undeveloped area			Total
				of which grass and gardens	of which paved and metalled	
		m ²	m ²	m ²	m ²	m ²
Oelde	2004	25,984	23,276	5,100	18,176	49,260
	2005	25,984	23,276	5,100	18,176	49,260
	Change	0.0%	0.0%	0.0%	0.0%	0.0%
Lehrte	2004	42,146	121,225	93,726	27,499	163,371
	2005	42,146	121,225	93,726	27,499	163,371
	Change	0.0%	0.0%	0.0%	0.0%	0.0%
Uničov	2004	14,098	25,457	5,628	19,830	39,555
	2005	15,181	24,374	5,628	18,747	39,555
	Change	7.7%	-4.3%	0.0%	-5.5%	0.0%
Warendorf	2004	77,796	252,175	154,586	97,589	329,971
	2005	77,796	252,175	154,586	97,589	329,971
	Change	0.0%	0.0%	0.0%	0.0%	0.0%
Total	2004	526,707	893,778	445,564	448,031	1,420,485
	2005	528,690	893,712	446,237	447,293	1,422,403
	Change	0.4%	0.0%	0.2%	-0.2%	0.1%

ENVIRONMENT

Waste

At Miele, waste management concepts and balance sheets are important methods for the realisation of waste management targets. In comparison to 2004, the increase in waste of 13.5% is considerably less than the increase in production (20.4%).

We are pleased that the amount of waste needing disposal continues to decrease, as it did again in 2005 by 35% with respect to the base year 2004. At the same time the amount of waste that was recycled increased by 16.6%.

Aim for the future: In addition to the general avoidance of waste, efforts will be made to further decrease the quantity of waste for disposal while increasing the proportion for recycling.

Waste	2004	2005	Change [%]
	[t]	[t]	compared to previous year
Waste for disposal	1,553	1,010	-35.0
of which domestic-type commercial waste	524	128	-75.5
Waste for recycling	24,407	28,468	16.6
of which metal waste	14,259	17,043	19.5
Total	25,960	29,478	13.5

ENVIRONMENT

Effluent

To reduce effluent quantities, Miele continues to apply consistent avoidance strategies such as process-adjacent circulation control of operating materials. For example in the Gütersloh factory, effluent containing nickel is treated in selective ion exchangers and the extracted nickel is returned to the production process.

Unavoidable technical effluent at the Beiefeld, Gütersloh and Oelde factories is detoxified in effluent treatment installations and then indirectly discharged into the local authority sewage system. The pH is regularly measured and effluent is analysed to ensure set limits for discharged water are well below permitted levels. In comparison to 2004, the amount of effluent in 2005 only increased very slightly, by 0.2%, despite considerably increased production figures (20.4%). The reduction in technical effluent of 5.3% is largely due to a change to circuitry, where cooling water is now rerouted back into production installations.

Effluent	2004	2005	Change [%]
	[m ³]	[m ³]	compared to previous year
Technical effluent	80,426	76,167	-5.3
Other effluent*	183,744	188,423	2.5
Total	264,170	264,590	0.2

*Calculated figures

Aim for the future: Reduction of the effluent quantity by similar measures as described at Input – Water consumption.

ENVIRONMENT

Emissions

Despite an increase in production of 20.4% with respect to the previous year 2004, emissions have been reduced by 2.9%. The main reason for this reduction is the reduction of the use of energy sources that produce emissions (see “Energy” page 79).

To reduce production emissions, Miele continues to apply the most modern technical solutions in the areas of system and filter technology. The following, among others, have contributed to this:

- The most modern afterburner technology with heat recovery for resin processing at the Euskirchen factory
- Electric smelters in the foundry at the Gütersloh factory.
- Filter monitors on all filter installations in the foundry at the Gütersloh factory ensure that emissions are kept well within limits.
- Noise-insulation encapsulation of installations particularly prone to produce noise and vibration such as presses with a pressure of up to 1,000 t and, depending on necessity, their mounting on vibration-absorbing foundations.

In Gütersloh Miele has voluntarily set their own emission limit for the foundry at 50% of the legally permitted level of 20 mg dust per cubic meter of exhaust. Measurements show that the real figure achieved is well below 5 mg per cubic meter. Measurements in March 2005 showed a value of only 0.4 mg.

In areas where systems particularly prone to produce noise and vibration are installed regular workplace-related measurements of sound pressure levels are taken. The results are recorded in noise registers and provide the basis for further improvement measures.

Aim for the future: Reduction of site-related emissions within the framework of energy concept optimisation.

Emissions	2004	2005	Change [%]
Production emissions*	[t]	[t]	compared to previous year
Dust emissions	0.30	0.30	0.0
Vapour/gas emissions			
SO ₂	0.69	0.68	-1.3
NO _x	25.42	24.67	-3.0
CO ₂	20,725	20,124	-2.9
Total from production**	20,751	20,150	-2.9

*Calculated figures ** Figures rounded off

ENVIRONMENT

Absolute environmental figures for the Miele Group

The values given refer to all the eleven factories as listed on pages 10 and 11.

INPUT	2004	2005	Change [%] compared to previous year
Raw materials	[t]	[t]	
Outsourced parts			
Metals	87,406	96,349	10.2
Plastics	9,646	11,355	17.7
Wood materials	2,006	2,062	2.8
Total	99,058	109,765	10.8
Auxiliary substances	[t]	[t]	
Paints, lacquers, additives	184	189	2.8
Powder coating powder	141	130	-7.9
Enamel	735	635	-13.6
Solder, soldering additives	9	9	3.1
Welding wire	2,286	3,520	54.0
Foundry additives	218	207	-5.1
Total	1,288	1,173	-9.0

ENVIRONMENT

INPUT	2004	2005	Change [%] compared to previous year
Operating supplies	[t]	[t]	
Acids, alkalines	605	609	0.7
Solvents	14	16	11.9
Oils, greases, lubricants	143	158	10.6
Foundry supplies	1,589	2,016	26.8
Technical gases	1,339	1,471	9.8
Other chemicals	353	336	-4.8
Total	4,044	4,606	13.9
Energy	[MWh]	[MWh]	
Electrical energy	129,801	140,548	8.3
Light heating oil	1,009	1,019	1.0
Natural gas	93,624	90,901	-2.9
District heating	35,313	30,773	-12.9
Wood chips	5,784	5,582	-3.5
Total	265,531	268,823	1.2
Water	[m³]	[m³]	
Mains supply	119,903	124,205	3.6
On-site wells	180,087	177,524	-1.4
Total	299,990	301,729	0.6

ENVIRONMENT

INPUT	2004	2005	Change [%] compared to previous year
Surface area	[m ²]	[m ²]	
Developed area	526,707	528,690	0.4
Undeveloped area	893,778	893,712	0.0
of which grass and gardens	445,564	446,237	0.2
of which paved and metalled	448,031	447,293	-0.2
Total	1,420,485	1,422,403	0.1
Installations requiring approval	[No.]	[No.]	
of which in accordance with emission laws	10	10	0,0
of which in accordance with water laws	15	15	0,0
Total	25	25	0.0

ENVIRONMENT

OUTPUT	2004	2005	Change [%] compared to previous year
Products	[1000s]	[1000s]	
Total units produced	3,454	4,161	20.4
Packaging	[t]	[t]	
	10,620	12,806	20.6
Waste	[t]	[t]	
Waste for disposal	1,553	1,010	-35.0
of which domestic-type commercial waste	524	128	-75.5
Waste for recycling	24,407	28,468	16.6
of which metal waste	14,259	17,043	19.5
Total*	25,960	29,478	13.5
Effluent	[m³]	[m³]	
Technical effluent	80,426	76,167	-5.3
Other effluent*	183,744	188,423	2.5
Total	264,170	264,590	0.2

*Calculated figures

ENVIRONMENT

OUTPUT

	2004	2005	Change [%] compared to previous year
Emissions			
Production emissions*	[t]	[t]	
Dust emissions	0.30	0.30	0.0
Vapour/gas emissions			
SO ₂	0.69	0.68	-1.3
NO _x	25.42	24.67	-3.0
CO ₂	20,725	20,124	-2.9
Total from production**	20,751	20,150	-2.9

*Calculated figures ** Figures rounded off

ENVIRONMENT

Logistics

Efficient transport

Miele customers at home and abroad are supplied with the machines and spare parts they have ordered on a daily basis via the sales centres.

All Miele domestic appliances and spare parts start their respective journeys in Gütersloh where the processing of washing machines, dryers, ovens and dishwashers, along with other items, is handled by the modern goods distribution centre. The hub of this system is the central distribution warehouse, a fully automatic high-bay warehouse, with a capacity of over 108,000 units. The turnover rate is high, for on average a unit is only stored here for 7 working days. Up to 12,000 units are despatched all over the world per day, a number of which travel by rail. The central distribution warehouse is complemented by the new staging warehouse first taken into service in 2000 and scheduled for expansion in 2006. This area of approximately 20,000 m² is primarily used to store and prepare for despatch small appliances such as hobs, microwave ovens, control units and accessories, along with cooker hoods. Refrigeration appliances

are now also stored at Gütersloh instead of at Warendorf, which has led to further savings of several thousand lorry-miles.

By despatching domestic appliances and spare parts centrally from Gütersloh, a large number of separate journeys for spares are avoided. Instead of sending individual parcels, generally spare parts and domestic appliances are sent together with the same transport.

Special commercial dishwashers and washer-disinfectors are sent directly to the customers from the Lehrte factory. This is the best solution for these generally very large and heavy commercial machines. It is therefore also possible to remove the old installation upon delivery and ensure that it is disposed of and recycled in an environmentally friendly way or to coordinate the installation.

Serving national and international markets with Miele products requires a great deal of transportation. At Miele the aim is to ensure that this transportation has the least possible adverse impact on the environment. The prime objective is to identify and deal with ineffective transport methods, to ensure high capacity utilisation and transfer goods to rail wherever it makes sense.

ENVIRONMENT

The central distribution warehouse on the Gütersloh site, which entered service in 1994, contributes to this in two ways: It receives incoming products from the various Miele manufacturing plants and sorts them depending on where they are to be despatched to, and uses computer technology to optimise the use of various onward transportation methods. This approach saves several thousand haulage miles each and every day.

Another automatic high-bay warehouse currently under construction will soon ensure further improvements in logistics.

Railways play a significant role in forwarding Miele domestic appliances, and Miele makes considerable use of rail transport.

Since the Miele central distribution warehouse has its own railway platform, a proportion of Miele appliances are shipped by rail. Transport by rail is particularly well suited for international shipping. Due to the policy followed by the German rail company DB Cargo (project MORA C) in 2004 of closing freight services unprofitable for them and closing track connections, the use of rail transport has been reduced in recent years.

Miele also ships finished products to customers in other European countries by rail. To cut down on the number of journeys, particularly large lorries are used wherever feasible, so that up to 198 household appliances can be transported with one vehicle. This reduces the number of journeys.

ENVIRONMENT

Classification of vehicles by their toxic emissions

Since 2002 Miele has prepared reports on its vehicle fleet with regard to its impact on the environment with reference to the toxic emissions classification used in Europe.

Cars

There has been a clear increase in the number of vehicles with Euro 4 toxic emissions classification.

Light commercial vehicles

With light commercial vehicles there has also been a clear increase in the number with Euro 3 toxic emissions classification with a corresponding reduction in Euro 1 and 2 classifications.

Heavy goods vehicles

For transporting products Miele uses either the rail network or road haulage providers. Wherever possible paired transports are organised. Only a very small number of company-owned heavy goods vehicles are used, and these are often special vehicles. Due to the strongly reduced number of company-owned vehicles, the classification of this vehicle category will not be included here.

Vehicle classifications	2004 proportion%	2005 proportion%	Change [%]
compared to previous year			
Cars			
EURO 1	0.4%	0.4%	-0.0%
EURO 2	3.2%	2.1%	-34.4%
EURO 3	32.1%	28.4%	-11.5%
EURO 4	7.5%	12.8%	70.7%
Light			
EURO 0	0.8%	0.5%	-37.5%
EURO 1	9.5%	5.0%	-47.7%
EURO 2	6.9%	2.8%	-59.4%
EURO 3	39.6%	47.9%	21.0%
EURO 4	0.0%	0.1%	
Total	100.0 %	100.0%	

Aim for the future: To increase the proportion of vehicles with Euro 3 classification. With regard to new vehicle purchases, Miele will, depending on economic realities, tend towards a preference for Euro 4 classification.

Miele

FUTURE



FUTURE

Commitment to the region

A company that defines itself as Miele does cannot act in a manner that is divorced from its regional and social field. Here too the company philosophy “forever better” applies.

In 1974, the Miele Foundation was established in celebration of the company’s 75-year jubilee. To commemorate the firm’s 100th birthday in 1999, the foundation capital was increased to the equivalent of EUR 2.5 m. In 1974 the articles of the Foundation, which was then provided with DM 1 m, stated that the capital would be maintained and the yield used for community projects in the city of Gütersloh. Since then Miele has supported and sponsored charitable establishments with a special emphasis on educational institutes and cultural and sports organisations and initiatives. So for example for the last 28 years the Foundation has financed a special school holiday activities project.

The region around our headquarters naturally tops the list for our commitment. Here is the company’s home, and where the largest number of people work for Miele in one place. The company supports community projects by donating money

or equipment both within the region and beyond. A high value is placed on projects for young people or initiatives involving sports of all kinds.

The “Gütersloh assists Chernobyl’s children” project regularly receives support from Miele. So does the “Children’s university” project, an initiative to meet the needs of knowledge-hungry children undertaken in Gütersloh in spring of 2006.

Miele is a founding member of the “Environmental Initiative of Businesses in the Gütersloh Area” and in the “Environmental Foundation of Eastern Westphalian Businesses” in cooperation with the Bielefeld Chamber of Commerce. The company works with scientific institutes and maintains close contacts with environmental groups.

Employees from senior management apply their know-how to support events that involve the above mentioned topics, such as an economic symposium on social responsibility that took place in Passau in spring of 2006.

The Miele subsidiaries are also committed to such causes internationally. As such, Miele supports an initiative to cure breast cancer in Great Britain.

FUTURE

Global commitment/SA 8000

A contribution to the high regard Miele is held in by its Senior Management, employees and also customers is provided by the firm's respectful and responsible approach to not only the environment, but also to mankind. The avoidance of child labour, compliance with human rights issues, and fair and reasonable working conditions are naturally matters of course for the company. To underline this view, Miele has adopted the internationally applied social guidelines in accordance with SA 8000 for the "Social Accountability International" (a grouping of companies) as part of the Management System. This means that in future a series of social criteria will be checked by an external independent consultant to ensure that they are being complied with and, above all, being actively practised in the company.

These are in detail:

- Rejection of child labour and forced labour
- Compliance with health and safety standards
- Application of the right to freedom of association
- Avoidance of discrimination
- Responsible and fair approach to disciplinary matters
- Compliance with applicable rules regarding working times and fair pay

FUTURE

Global Compact

In addition to the SA 8000 certification, Miele supports the Global Compact Initiative from the UN. This initiative was first presented by Kofi Annan, the United National General Secretary, at the World Economic Forum at Davos in 1999 and consists of a global pact (Global Compact) between the United Nations and the business community. Its aim is to strengthen the cooperation between the United Nations, business and other social groups, and to make possible the practical application of the central objectives of the UN. Kofi Annan calls on companies to adopt the central UN objectives as their own and to comply with them voluntarily in their own company policies. For Miele these points quite simply mean no change or business as usual, since they have all long been a fixed part of the company philosophy. However, the points included in the initiative can be seen as an incentive to introduce further improvements wherever possible.

1. Awareness and support of human rights within the company
2. Exclusion of cooperation with persons/companies who abuse human rights (e.g. suppliers)
3. Support of the freedom of association and the effective recognition of the right to collective bargaining.
4. Elimination of all forms of forced and compulsory labour.
5. Abolition of child labour.
6. Elimination of discrimination with respect to employment and profession.
7. Support a precautionary approach to environmental challenges.
8. Undertake initiatives to promote a responsible approach to the environment.
9. Encourage the development and widespread use of environmentally friendly technologies.
10. Actively work against all forms of corruption, extortion and bribery.

FUTURE

Code of Conduct

With the signing of the CECED code of conduct in 2005, senior management again expressed its recognition of the firm's obligation to protect the environment and the interests of employees in both its internal and external areas of influence. This code, based in part on the Global Compact, is intended to ensure that the criteria for long-lasting and socially positive behaviour throughout Europe are met by the manufacturers of household appliances.

In 2005, Miele's Senior Management signed the CECED's Code of Conduct. With this code, the European Umbrella Organisation of the Domestic Appliances Industry created a code to be followed

voluntarily, based in large on the Global Compact and the SA 8000 guidelines. Fair working conditions, social guidelines and environmental protection are the key areas it covers. The Code of Conduct was adopted into the management system and communicated throughout the entire company organisation. Miele will continue to report regularly on the implementation of the CECED, as will all companies involved.

Aim for the future: Miele will continue to fulfil the guidelines set out in the Global Compact, the SA 8000 and the Code of Conduct in all areas of influence. Certification in accordance with SA 8000 will actively be pursued for all international factory sites.

GLOSSARY

Explanation of terms

Term	Explanation
A ASU	Arbeitsgemeinschaft Selbständiger Unternehmer (Association of Independent Companies), a working group of entrepreneurs
Audit programmes	Programmes for internal monitoring of the management system
B B.A.U.M.	Bundesdeutscher Arbeitskreis für Umweltbewusstes Management Working group to promote environmental awareness at a managerial level
C Cadmium	Chemical element, heavy metal
CECED	European Committee of Domestic Equipment Manufacturers
CO ₂	Carbon dioxide
D DB Cargo	Deutsche Bahn cargo transportation
E Elastomer	Permanently elastic polymer
EPS	Expanded polystyrene – a plastic also known as Styropor®
F FC	Chlorofluorocarbon
G GWP	Global Warming Potential
I Interface	A place where external equipment can be attached to a computer
ISO	International Standard Organisation (international organisation for standardisation)

GLOSSARY

Term	Explanation
I Isobutane	Butane gas-based refrigerant (gaseous hydrocarbon) techn. id. R600A
K kW	kilowatt (1 kW = 1,000 watts)
L Loading	When a medium, generally a fluid (e.g. effluent), is contaminated with toxins
M Methanol	Raw material in the chemical and plastics industry
MW	Megawatt (1 MW = 1 million watts)
MWh	Megawatt-hour (1 MWh = 1,000 kilowatt hours)
N NO _x	Nitrogen oxide
O ODP	Ozone Depletion Potential
P PA	Polyamide plastic
PCB	polychlorinated biphenyl
Pentane	Natural gas-based foaming or blowing agent
PER	Perchloroethylene
pH value	Measurement of acidity or alkalinity of an aqueous medium
Polyethylene foil	Plastic foil
PUR	Polyurethane: Particularly versatile plastic
R Reducing agent	Carbons for chemical conversion of iron oxide ore
Resources	Sources of raw materials
RoHs	Restriction of the use of certain Hazardous Substances, guideline for the reduction of the use of certain toxic substances

GLOSSARY

Term	Explanation
S Toxic emissions classification	Division of vehicles into groups according to their level of emissions
Schredder	Shredding installation for used domestic appliances or vehicles to recycle the metal content
SO ₂	Sulphur dioxide
Standard place setting	Fixed quantity of standardised crockery and cutlery. The international standard place setting consists of a flat plat (ø 24 cm), a bowl (ø 23 cm), a dessert plate (ø 19 cm), a saucer (ø 15 cm), a cup (ø 8.5 cm), a drinking glass (ø 7 cm) and a five-piece cutlery place setting
T t	Thousand pieces
U Update	Updated programmes for dishwashers, washer-dryers, washing machines and tumble dryers for example

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Miele on the web:

www.miele.de

At www.miele-presse.de you will find:

- Miele annual report:
“Data/Facts 2005/2006”
- Brochures: “Trust – The Company
and its values”

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