

The board's introduction to the progress report to the UN Global Compact

BSH joined the Global Compact in 2004. During the World Economic Forum in Davos in 1999, the then UN Secretary-General Kofi Annan proposed the setting-up of a Global Compact. Annan invited economic leaders from all over the world to join this compact to intensify the UN's interactions with businesses and help to achieve its Millennium Development Goals. This initiative is an appeal to businesses to ensure that all people will benefit from globalization.

BSH played a leading role in drawing up a code of conduct based on the Global Compact for the European Committee of Domestic Equipment Manufacturers (CECED) in 2005. We then drafted our own Business Conduct Guidelines on this basis and implemented them throughout the Group in 2006. Our code of conduct for suppliers, which has been included in supply contracts since 2007, is also based on the UN Global Compact. BSH's yearly Environmental and Corporate Responsibility report presents the progress made at BSH on realizing the Global Compact principles.

Our manufacturer's understanding of sustainability centers on a very broad-based notion of product responsibility and the tireless pursuit of better ways to use BSH's products, sales opportunities and expertise to achieve the objectives of sustainable development worldwide. Our innovative and super-efficient home appliances will in particular enable us to make a crucial contribution to addressing the future issues of climate protection, energy efficiency and resource conservation.

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Communication on progress of the realization of the UN Global Compact's principles

BSH is a member of the UN Global Compact. The Global Compact is based on ten principles relating to human rights, labor standards, environmental protection and the fight against corruption. This table shows the guidelines and management systems that BSH uses to realize the Global Compact principles. It also summarizes BSH's specific progress on realizing the Global Compact principles in 2009. Our 2009 Environmental and Corporate Responsibility report provides a detailed communication on progress for 2009. In addition, we inform our employees and external stakeholders about the realization of Global Compact principles in a staff newsletter and on the intranet and internet.

Principle	Guidelines	Systems / institutions	Action in the period under review (2009)
Human rights			
Principle 1: support for human rights	<ul style="list-style-type: none"> ▪ CECED Code of Conduct ▪ Code of conduct for BSH suppliers ▪ Business Conduct Guidelines (mutual respect, honesty and integrity as the basis for collaboration at BSH) 	<ul style="list-style-type: none"> ▪ Code of conduct for BSH suppliers as a firm part of supply contracts 	<ul style="list-style-type: none"> ▪ A- and B-suppliers signed a declaration of undertaking (thus covering more than 95 percent of the entire purchasing volume) ▪ BSH's occupational health and safety management rules brought into line with international Standard OHSAS 18001.
Principle 2: non-complicity in human rights abuses			
Labor standards			
Principle 3: upholding freedom of association	<ul style="list-style-type: none"> ▪ CECED Code of Conduct ▪ Code of conduct for BSH suppliers ▪ Business Conduct Guidelines 	<ul style="list-style-type: none"> ▪ BSH's European Committee (annual meeting of representatives of the Group's European sites) 	<ul style="list-style-type: none"> ▪ European Committee Meeting on October 22, 2010 in Vienna
Principle 4: elimination of all forms of forced and compulsory labor			
Principle 5: abolition of child labor			

<p>Principle 6: elimination of discrimination</p>	<ul style="list-style-type: none"> ▪ CECED Code of Conduct ▪ Code of conduct for BSH suppliers ▪ Business Conduct Guidelines ▪ Human Resources principles 		
<p>Environmental protection</p>			
<p>Principle 7: precautionary approach to environmental protection</p>	<ul style="list-style-type: none"> ▪ BSH's environment policy ▪ Definition of key fields of action <ul style="list-style-type: none"> - Energy efficiency - Product responsibility - Knowledge transfer ▪ Unified standards for planning and building production plants 	<ul style="list-style-type: none"> ▪ Product Environment Analysis (PEA) ▪ Material and energy-efficient production methods ▪ ISO 14001 certification of environment-relevant sites 	<ul style="list-style-type: none"> ▪ Central environment management audits conducted at four locations ▪ Identification of possible potential savings in production in the course of an energy audit ▪ Support the development of harmonized standards for eco-design ▪ Revision of the EU Directives relating to the disposal of waste electrical and electronic equipment (WEEE) and the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS) ▪ Study conducted into CO₂ emissions from transport of goods in Central Europe and preparations made for global recording

			<ul style="list-style-type: none"> ▪ New environmentally friendly logistics concept developed and implemented by the BSH logistics center in Giengen jointly with DHL Global Forwarding
<p>Principle 8: promotion of greater environmental responsibility</p>		<ul style="list-style-type: none"> ▪ Recording of BSH's carbon footprint ▪ Take-back system for end-of-life appliances with its own quality assurance system ▪ BSH production system ▪ Basic audit of suppliers 	<ul style="list-style-type: none"> ▪ During 2009, other manufacturers adopted the quality assurance system for refrigerators and freezers containing CFCs introduced by BSH in Germany in 2008. ▪ Participated in the energy efficiency initiative launched by ZVEI, the German Electrical and Electronic Manufacturers' Association ▪ Energy Excellence Initiative throughout the Group
<p>Principle 9: diffusion of environmentally friendly technologies</p>		<ul style="list-style-type: none"> ▪ Founding member of the initiative Hausgeräte + 	<ul style="list-style-type: none"> ▪ Enhanced the Protos plant oil stove In 2010, series production of the second generation of stoves will commence in Indonesia. ▪ Contribution to climate protection made by BSH with its "Portfolio of super-efficient home appliances" calculated for the first time during fiscal 2009, and validated by auditing firm (see "Environmental and Corporate Responsibility 2009", pages 20 and 25) ▪ Internal BSH Innovation Prize

			launched at the start of 2010, as a means of honoring innovative technologies and products on an annual basis.
Anti-corruption			
Principle 10: action against corruption	<ul style="list-style-type: none"> ▪ Business Conduct Guidelines 	<ul style="list-style-type: none"> ▪ Compliance Management System ▪ comprehensive internet-based training program in several languages 	<ul style="list-style-type: none"> ▪ We have boosted the number of staff in the Compliance Committee office from two to six to enhance its training capacity and its ability to provide advice on legal compliance matters. ▪ In 2009 more than 11,000 BSH employees successfully completed web-based compliance training (offered in 11 languages) ▪ Compliance has been an integral part of leadership training at the BSH Academy since 2009