

# A focus on people

SUSTAINABILITY REPORT 2011



## Reporting framework

Miele pursues the goal of reporting transparently on spheres of activity and strategies in relevant areas of its corporate responsibility. This information is available to the public in its entirety.

This report conforms to the guidelines of the Global Reporting Initiative (GRI G3). It reflects the material topics and challenges of sustainable development for the company and takes extensive account of stakeholder requirements. To identify the relevant report topics, Miele carried out a materiality analysis. The results of an environmental analysis (stakeholder survey) and the internal strategic perspectives of the departments, which evaluated all topics according to their significance, were incorporated. Consequently, the report contains information on solution approaches and initiatives to improve the company's sustainability performance in the areas of economy, product responsibility, employees and society. As in the previous report, the activities in the area of environmental protection, whether at a site, in product design or in production, are included in the chapter on product responsibility. The activities of the Miele Professional (commercial machines) business area are reported on for the first time.

This hard-copy version of the report cannot include all the information about Miele's sustainability activities, but rather concentrates on achievements and innovations in the reporting period. The website ([www.miele-sustainability.com](http://www.miele-sustainability.com)) contains information on the management approaches to the topics addressed in the report, practical examples and concrete figures. These are also summarised in the

separate „Facts & Figures“ document and are available both as a hard-copy version and as a download.

### Spatial and temporal coordination

Owing to the changeover of reporting from calendar year to financial year, the reporting period encompasses the three financial years 2007/08, 2008/09 and 2009/10. The latter ends on 30/06/2010. Unless otherwise specified, the information relates to Miele & Cie. KG along with its affiliated company imperial Werke oHG. Included in this are all German plant and administration locations. The report also includes information on the international production sites in Austria (Bürmoos), the Czech Republic (Uničov), China (Dongguan) and for the first time Romania (Braşov). The latter commenced operations in autumn 2009, so isolated initial figures for 2009/10 are published in this report. A complete record of the figures is planned from the next sustainability report.

The initiatives of 45 international subsidiaries are reported on for the first time by means of various examples. The newly founded subsidiary in India is not included as quantitative information is not yet available for this subsidiary. Plans are in place to set up data collection in the future.

The fifth sustainability report replaces the report from 2008.

The report is published in German and English. Resuming the biennial report cycle, the next Miele sustainability report will be published in 2013. The press date of this report was 31/01/2011.



We self-declare our report to be GRI application level A.

A company has many different kinds of stakeholders, including customers, employees, business partners, non-governmental organisations, politics and the local community.



► Identification of the report topics



► [globalreporting.org](http://globalreporting.org)

## Strong brand – Miele in 2009/10

The family company Miele is active in two strategic business fields: It produces and markets domestic appliances and commercial machines. Having come through the global economic crisis, the principal economic challenges for Miele currently consist in consolidating growth and gaining further momentum. The strategy of the family company is built on three pillars: Growth through expansion by means of setting up subsidiaries throughout the world; marketing concepts that are tailored to the requirements of the individual markets; and innovative, resource-conserving product designs – always oriented around customers and their national consumption habits.

### Achievements

#### Miele at home and abroad

Despite the global effects of the financial and economic crisis, the company remained economically successful in the reporting period. Following a recession-induced drop in sales in the 2008/09 financial year, in 2009/10 Miele achieved a turnover of EUR 2.83 billion, representing an increase of 2.2 percent.

The positive development on the domestic German market, which accounted for around 30 percent of total sales, made a substantial contribution to this success. Abroad Miele achieved the second-highest turnover in its history. However, development continues to be uneven. Miele made strong gains in important customer countries such as Italy, Belgium and above all Austria. The same goes for long-established overseas markets such as Australia, USA, Canada and Asia, in the latter case particularly in China and Singapore. In contrast, the markets in some southern and eastern

European countries have not yet recovered from the consequences of the financial and economic crisis.

In the 2009/10 financial year, the Miele Professional business area generated a worldwide turnover of EUR 294 million, which represents growth of 2.7 percent compared to the previous year. This means that industrial products contribute 10.4 percent of total turnover.

### Investments in the future

In the 2009/10 financial year, Miele invested EUR 137 million worldwide. This figure is just under 27 percent less than the previous year, when Miele strongly pushed the expansion of its international sales presence. Investments in production sites, on the other hand, remained at a constantly high level. In Braşov in Romania, a new electronics plant was completed to build up urgently required additional capacities for Miele's own electronic components.

To strengthen sales, nine new subsidiaries were founded or opened in the reporting period – including in Kazakhstan, Latvia, India and Malaysia. In addition to the German subsidiary, Miele currently has subsidiaries in 46 countries.

### **Sustainable products**

Miele's product policy is constantly guided by the values of quality, innovation and sustainability. Its declared goal is to develop efficient and durable products whose production, consumption and disposal have as little impact as possible on the environment. The manufacturer attested to this in the reporting period by virtue of its new product developments. They included the world's first dishwasher with a water consumption of just eight litres per cycle and the new Miele heat-pump tumble dryer. This appliance consumes almost 50 percent less power than tumble dryers with conventional technology. Launched in 2009, the washing machines with Eco Feedback enable the user to keep an eye on water and electricity consumption at all times and to select the programme with the lowest consumption levels. In addition, the appliances have special eco-programmes that deliver energy savings of up to 50 percent.

### **Trust in the brand**

Consumers again showed a lot of trust in the company and the brand in the 2009/10 financial year. In the Most Trusted Brands international consumer study, Europe's consumers

picked Miele as the most trusted brand in the domestic appliance sector for the tenth time.

### **Outlook and objectives**

The primary objective of the company is continued survival and growth in the face of all economic fluctuations. In this regard, Miele continues to pursue its strategy of healthy growth through its own strength and with its own resources. This involves reinforcing international sales and moving into "blank spots" on the world map in order to strengthen and support Miele as an international brand. Consequently, Miele is investing in new markets and pressing ahead with the expansion of subsidiaries. The company continues to focus on the development and market launch of new products and innovative technologies that conserve natural resources and are friendly to the environment.



▶ <a href="http://miele.com">miele.com</a> ▶ domestic appliances
▶ <a href="http://miele-professional.com">miele-professional.com</a>
▶ <a href="http://miele.com">miele.com</a> ▶ The Miele company ▶ Locations
▶ <a href="http://miele.com">miele.com</a> ▶ The Miele company ▶ Miele past and present ▶ Awards
▶ <a href="http://miele-presse.de">miele-presse.de</a> ▶ Facts and Figures ▶ Business report

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Global Compact progress report	
Imprint	



For the purposes of simplification, this report avoids the use of he/she etc. and uses just the male form.

In previous reports, the site name Hong Da was used for the production site in China. For the purposes of standardisation, the place name is used in this report, as it is for the other sites. For the Chinese production site, this is Dongguan.



Unless stated otherwise, this symbol refers to the website [www.miele-sustainability.com](http://www.miele-sustainability.com)

For the purposes of simplification, only the root path is provided and the sub-chapter is simply given as a keyword as the chapter structure is mirrored in the online version.



Link to external websites.



## Preface by the executive board

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**Dear readers,**

In front of you, you have the fifth and to date most extensive sustainability report from Miele. In producing this report, we have invested a considerable amount of time and effort to provide our stakeholders with better and more up-to-date information about Miele's sustainability activities.

Responsibility and sustainability have always been fundamental parts of the corporate culture at Miele. We have implemented these components into our business strategy. Taking into account the precautionary principle, we have integrated sustainability aspects into core company processes such as product design and production. It is only by doing this that a company stay fit for the future.

Of course, sustainable behaviour cannot simply be ordered; it must be lived with conviction by the people in the company. Our employees put this into practice day by day in line with our corporate philosophy of "Forever Better". At Miele the focus is on people. This includes both customers, for whom we provide energy-efficient, high-quality domestic appliances and commercial machines and also employees, suppliers and other business partners with whom we maintain a responsible relationship. Our sustainable actions are centred around efficient use of energy and reduction of CO<sub>2</sub> emissions. By focusing on these issues, we are actively countering climate change. Another focal point is the conservation of natural resources throughout the life cycle of our products and in production.

The certification of our production sites according to the SA8000 international social standard in 2008 represents confirmation from independent experts of our aspiration to be a responsible employer that consistently respects key employee rights. This standard also forms the basis of our requirements for suppliers.



**Olaf Bartsch**  
Managing Director  
Finance and Controlling,  
Central Administration



**Dr. Reto Bazzi**  
Managing Director  
Marketing and Sales  
until 31 March 2011

As a member of the United Nations Global Compact, we are fully committed to the its principles in the areas of human rights, working standards, environmental protection and anti-corruption. This report shows how we are working to ensure compliance with these principles, both at Miele itself and at our suppliers.

A comprehensive sustainability strategy also presents challenges arising from higher-level environmental and social trends. Having survived the economic crisis, we consider it more important than ever to view sustainable economic management as a responsibility and an opportunity. This is a challenge that demands a

conservation of natural resources and climate protection at all production sites. To this end, we are working on various projects such as that to draw up the company's carbon footprint. We are continuously striving to make our appliances even more energy efficient. We are also increasingly focusing on initiatives in both



Dr. Markus Miele  
Executive Partner

Dr. Heiner Olbrich  
Managing Director  
Marketing and Sales  
since 1 January, 2011

Dr. Eduard Sailer  
Managing Director  
Technology

Dr. Reinhard Zinkann  
Executive Partner

consistent, values-orientated business strategy to secure business success, production sites and jobs over the long term. We are meeting this challenge head on.

We also have lots planned for the future. Our most important challenge and at the same time our declared strategy is to press ahead with

product and personnel policy aimed at meeting the challenges of demographic change. In this way, we hope to be sustainably "forever better" in order to realise our vision of a company that continues to make its contribution to ecological and social responsibility in this new century.

We wish you an interesting read!

# Company profile





## Miele: a brief profile

**1899** Miele was founded by Carl Miele and Reinhard Zinkann. To this day, the owner-managed company is 100 percent owned by the two families. Its legal form is a limited partnership (Kommanditgesellschaft, or KG) with its head office at the parent site in Gütersloh, Germany. The company motto "Forever Better" deriving from its founding period is valid to this day and Miele employees live it in their day-to-day work.

**2.83** billion euro was the company's turnover in the 2009/10 financial year. After a slight recession-induced drop in sales of 1.3 percent in the previous year, the company achieved a record turnover in 2009/10 with an increase of 2.2 percent. 81.9 percent of the turnover was generated in Europe.

**16,561** people worldwide were employed by Miele in 2009/10, of which more than 60 percent in Germany. The employees outside Germany largely work in sales and customer service (over 80 percent).

**12** is the number of Miele's production sites. The company predominantly manufactures in Germany, where eight plants are located. Miele also manufactures its products and the corresponding components in plants in Austria (Bürmoos), the Czech Republic (Uničov), China (Dongguan) and, since autumn 2009, Romania (Braşov).

**47** subsidiaries represent Miele worldwide in just as many countries. The size of the individual subsidiaries varies widely, ranging from an initial five employees in the recently formed Indian subsidiary to over 400 persons in the established USA subsidiary. Miele is continuously expanding its worldwide network of subsidiaries in order to open up new markets. This secures sales, service and spare parts procurement on an international basis. Exemplifying the international expansion of the company's sales and service presence is the opening of Miele subsidiaries in Kazakhstan, Latvia and India, where operational business commenced in autumn 2009.

**23** is the number of product groups in the product range. Miele offers durable premium domestic appliances in the product areas of cooking, baking, steaming, refrigerating and freezing, coffee-making, dishwashing, laundry care and floor care. These are joined by dishwashers, washing machines and tumble dryers for commercial use, as well as cleaning, disinfection and sterilisation devices for medical facilities and laboratories under the name Miele Professional. Since autumn 2009, this range has also included container and transport trolley washers. The domestic appliances business area makes up the bulk of turnover: In the 2009/10 financial year, the share of turnover accounted for by domestic appliances was 77.8 percent. A total of almost 5 million domestic appliances were sold, along with around 85,000 commercial machines.

Showroom in Vianen, the Netherlands.



## Principles and values

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The principle of corporate responsibility is firmly anchored in the Miele business strategy and serves as a maxim for management in their day-to-day activities. Miele takes a holistic view of its responsibility in this regard. The company sees itself as having responsibilities towards customers, employees, suppliers, society and the environment. This is laid down in Miele's corporate philosophy, which is put into practice company-wide every day. In order to ensure this ideal is realised, Miele, as a commercial enterprise, has a constant obligation to grow and be commercially successful.

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Climate change and scarcity of resources are currently the dominant issues that companies are having to face. Miele is meeting the global challenges with long-practised corporate principles based on the precautionary principle and by observing international guidelines. These include the ten UN Global Compact principles, to which Miele has pledged itself since 2004, and the Code of Practice of the CECED, the European domestic appliance manufacturers' association, which Miele signed in 2005. These principles constantly serve as a guide and basis for both internal and external corporate policy.

Presiding over all activities is the maxim devised by the company founders of "Forever Better". Following this maxim, Miele strives to constantly develop innovative and resource-conserving products, considerably reduce environmental impact and bring added value to society.

Miele views transparency and openness as necessary conditions of a credible strategy. The company therefore regularly reports on its achievements relating to the market, environment and society, as well as on its measures for avoiding and reducing possible environmental effects. To this end, Miele regularly maintains open dialogue with its stakeholders.

In order to fulfil its responsibility, Miele must maintain its profitability as a company and achieve healthy growth both today and in the future. To date, it has managed this through its own strength and independently of borrowed capital.

### Topic areas of the corporate philosophy

#### Product responsibility

The company's main focus is its responsibility towards the people who use Miele products in their personal or professional environments. Their needs and rights give direction to the company's activities. This is the source of the company's drive to provide resource-conserving products with high functional value and optimum functionality. In this regard it is vital to continually develop innovations. Only in this way is it possible to produce long-lasting and environmentally compatible domestic and commercial machines of high quality.

#### Environmental protection

The topics of climate and protection of resources go hand in hand with that of product responsibility. On the product side of things, Miele is pursuing concrete strategies to fulfil climate protection goals and thus make an active contribution to environmental protection. At a production level, the company uses the



Quality and consumer protection are the top priorities. Miele products withstand even tough tests.

best available environmentally friendly technologies and ensures efficient use of raw materials, energy and water.

#### Responsible treatment of employees

People are at the heart of our concerns – and this also applies to our employees. From the founding of the company to this day, Miele has always respected its employees. It goes without saying that human rights and social justice are observed at all sites. Miele understands that a company is borne by its employees. All employees are thus encouraged to constantly further develop themselves and their skills, and this also advances the company. The basis for this is a mutually appreciative relationship.

#### Social and environmental standards in the supply chain

Miele has set itself the goal of ensuring that – beyond its own direct sphere of influence – its high social and environmental standards are also implemented by its suppliers. In this way, the company aims to ensure that environmental protection is also promoted and the workforce treated fairly in the supply chain. Miele supports its suppliers by means of a responsible relationship founded on partnership.

#### Implementation

The corporate philosophy and international guidelines are anchored in the integrated management system to ensure that they are incorporated into day-to-day activities. This enables their observance to be regularly reviewed.

► See chapter on sustainability management

The guidelines of the corporate philosophy apply company-wide for all employees, who are kept regularly informed about its contents and initiatives. This encourages each individual to take corporate responsibility into account in their actions. The certification of the production sites according to the social standard SA8000 provides confirmation from an independent source that Miele meets the high requirements for workplace conditions.

This report explains in detail the implementation of the corporate philosophy within the individual topic areas.



► Corporate philosophy (download)



► [ceced.org](http://ceced.org)

► [unglobalcompact.org](http://unglobalcompact.org)



# Sustainability management





## Integrated sustainability management

Thanks to the established Miele corporate philosophy, which has been lived out for over 110 years, sustainability is firmly rooted in the thoughts and actions of all employees. Sustainability management takes place via integrated and networked systems.

Advancing climate change, increasing scarcity of resources and demographic change (particularly evident in industrial nations) present considerable challenges to which Miele will rise both now and in the future. The past few years have seen global risks having greater effects on Miele's business activity. Miele has been building up a comprehensive management system since 1992 to systematically identify and handle these risks and the opportunities they present.

Sustainability is anchored in the integrated management system, which applies across all departments, both in relation to content and organisation. Since 2005, this system has been expanded and refined through supplements and specifications to form the Miele Success System. In all areas of this system, Miele's sustainability management in close conjunction with comprehensive risk management and compliance structures acts to ensure that laws are observed. ► For more information on the Miele Success System, visit the sustainability website.

### Integrated management system

As part of the management system, the contents of the certified standard systems and the contents of the standards, the following of which is maintained or targeted, is monitored and controlled. All European sites are certi-

fied according to ISO 9001, ISO 14001 and SA8000. Preparatory measures for setting up an environmental management system and for certification according to SA8000 are being adopted at the Chinese site Dongguan.

The relevant areas of the Gütersloh and Bielefeld sites and, since March 2010, the Bürmoos production site also meet the requirements of the ISO 13485 standard for the quality management of medical devices. Occupational safety and health protection is organised based on OHSAS 18001. Miele has decided to forego external certification in this area.

### Compliance management

The Miele code of conduct for the prevention of corruption was established in 2008. The code of conduct is binding for all employees worldwide and obliges them not only to observe laws and refrain from dubious dealings, but also to adopt an ethically aware basic attitude. Miele has provided its employees with comprehensive information to raise awareness of this issue and to foster a keen sense of right and wrong in them. There have been no serious infringements during the reporting period. Summer of 2010 saw the appointment of an ombudsman to receive information from employees or external persons in relation to corruption or other unlawful business practices.



You can find information on the status of the certifications, including a detailed account of objectives and their achievement, on the sustainability website.



► External and internal auditing
► Organisation and responsibilities
► Risk management
► Compliance management
► Targets and objectives



► <a href="http://sa-intl.org">sa-intl.org</a>
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Annette Venjacob and Torsten Spließ  
performing quality control.

## Sustainability in the supply chain

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At Miele, responsibility begins with the selection and procurement of raw materials. This approach is reflected in the sustainable structure of the company supply chain. This entails the observance of environmental and social standards by suppliers as well as responsible interaction with business partners.

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Miele aims to ensure that all its suppliers meet high quality and economic standards in addition to fulfilling social and ecological standards. The 170 employees of the procurement department meet this challenging task by means of structured identification, strategic selection and management of suppliers.

Miele collaborates with over 2,300 suppliers of production materials. About 95 percent of the total purchasing volume comes from European suppliers. Miele places value on fair, long-term business relationships based on partnership and systematically integrates suppliers into product creation processes with a focus on dialogue.

### Social and environmental standards

Within the framework of supplier management, the top priority of the buyers at Miele is to ensure that they only select and use suppliers who comply with applicable environmental and social standards.

Sustainability criteria are deeply rooted in Miele's conditions of purchase. They are aligned with the social standard SA8000, which is based among other things on the ILO core labour standard, as well as the UN Global Compact principles on the protection of human rights and the environment. Miele secures ecological standards by requiring suppliers to have a certified environmental management system in place that complies with the ISO 14001 standard or comparable standards. Suppliers are contractually obliged to use environmen-

tally friendly technologies and substitutes and to ensure environmentally friendly recycling of individual components. They are also contractually obliged to ensure that their own suppliers, the sub-suppliers, observe social and environmental standards.

### Recruitment of new suppliers

The SA8000 social standard has been used as a basis for each individual supplier selection process since 2004. Amongst other things, it encompasses the prohibition of child labour and forced labour, the right to freedom of association as well as adequate wages for employees. All potential business partners must confirm their adherence to SA8000 in writing before they are awarded a contract. If they fail to provide this confirmation, the proposed collaboration is rejected. In this way, Miele ensures that human rights considerations are taken into account in every contract decision, regardless of a potential business partner's sphere of activity and place of business.

### Monitoring existing suppliers

A general risk classification of every supplier has taken place since 2004. Three risk levels are defined, depending on the supplier's country of origin and industrial sector: low, medium and high. This classification determines how intensively suppliers are monitored during the collaboration. Suppliers classified as medium to high risk are visited by members of the procurement department to examine their adherence to SA8000 criteria.

Since 2008, a standardised questionnaire from the German Association of the Automotive Industry has been used to monitor adherence to social standards based on SA8000 as well as qualitative and ecological requirements. If this questionnaire is filled out inadequately or a supplier is suspected of violating social standards, an escalation process begins, which can culminate in the supplier being struck off the list and being barred for the future. It has not been necessary to bar any suppliers to date thanks to careful preselection.

Contravention of child labour standards, for example, results in unconditional and immediate exclusion. In other cases, suppliers can continue to collaborate with Miele depending on their capacity for improvement — provided that they draw up a plan of action in co-operation with Procurement and Quality Management at Miele and thereby fully remedy the problems.

### Achievements

In the reporting period, there was a boost in the priority given to sustainability considerations



Important production material: stainless steel

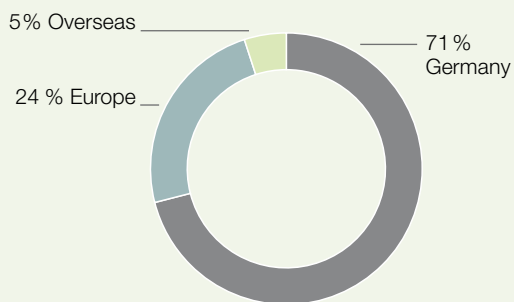
and these considerations were further integrated into supplier evaluation and assessment. As well as incorporating social aspects into quality processes, sustainability criteria have been embedded into the scoring system (a points system for evaluating potential suppliers) and integrated into Miele's risk management concept.

In 2009/10, 629 new suppliers confirmed their adherence to SA8000 by means of a checklist. Miele rejected a total of 14 applicants due to inadequate validation.

### Outlook and objectives

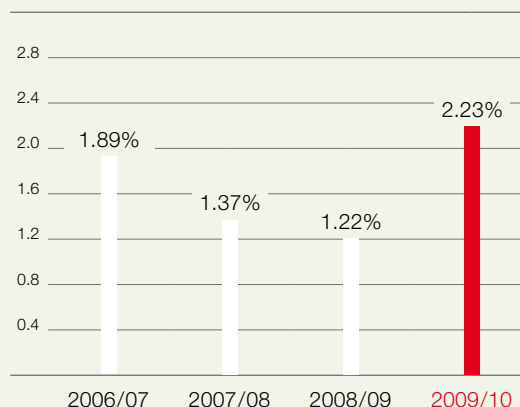
A supplier management system was launched in 2009. It is estimated that the system will be completed in 2012. This new system is intended to make both operational and strategic procurement targets more effective and efficient.

Purchasing volume by region  
in %



2009/10

Suppliers who had contracts rejected due to non-confirmation of compliance with social standards  
number in %



## Dialogue with the stakeholders

Transparency and communication are integral parts of Miele's company philosophy. Miele uses stakeholder dialogue to provide information concerning the impact of its own actions on people and the environment, as well as to identify risks and opportunities, in addition to trends and expectations, at an early stage. This approach enables Miele to respond appropriately to new developments and shape the future in collaboration with the stakeholders.



CECED = the European domestic appliance manufacturers' association

The company primarily enters into constructive dialogue with its international stakeholders via its membership of national and European associations such as the German Central Association of the Electrical and Electronics Industry (ZVEI) and the CECED. Its collaboration with interest groups such as environmental protection organisations, politicians, customers and science is characterised by long-standing commitment and active participation. ► "Disposal"

A key focus of this collaboration is the development of labelling systems showing performance and consumption data that enables useful differentiation of the appliances available on the market. Recycling of old appliances and product safety issues also play an important role.

Often there is direct dialogue between a Miele specialist department and an interest group. At an international level, the collaboration is managed by the subsidiary managers in close consultation with the executive board and in line with the respective local political structures.

### Achievements

#### Stakeholder survey

Miele carried out its first stakeholder survey in 2008. 32 representatives of political and scientific stakeholder groups of relevance to the company, as well as NGOs and employees were interviewed via telephone.

From November 2009 until January 2010, Miele carried out a survey on its sustainability website aimed at ascertaining customers' requirements. Around 1,900 Miele end customers took part worldwide.

At the same time, 29 employees of subsidiaries from across the world took part in a written survey aimed at examining the value placed locally on sustainability and, in particular, the level of interest amongst end customers. The main focus of these surveys was to evaluate the 2008 sustainability report and assess how Miele's sustainability activities are perceived by the customer. The sustainability trends and issues relevant to Miele as seen from the customers' point of view were then used to supplement the results of the 2008 stakeholder survey.

More than 70 percent of both end customers and subsidiaries rate Miele's sustainability activities as "good" or "excellent". Stakeholders would like to see more attention paid to the issues of resource-efficient products and ecological production and they requested that the company identify its carbon footprint.

The results have been incorporated into the current sustainability report and they function as a guide for future company decisions, such as for ascertaining the company's carbon footprint.



► Initiatives and memberships



► [ceced.org](http://ceced.org)

► [zvei.de](http://zvei.de)





Open and available for direct dialogue.

### Workforce sustainability survey

How do you rate Miele's sustainability activities? Where do you see a need for improvement? Miele put questions like these to department representatives from the company headquarters and the German and Austrian plants during an event in 2009. All 28 participants answered the questions and most were found to want more information concerning the supply chain and the topic of commercial machines. The results of this survey have also been integrated into the current sustainability report.

### Dialogue concerning the new Energy Label

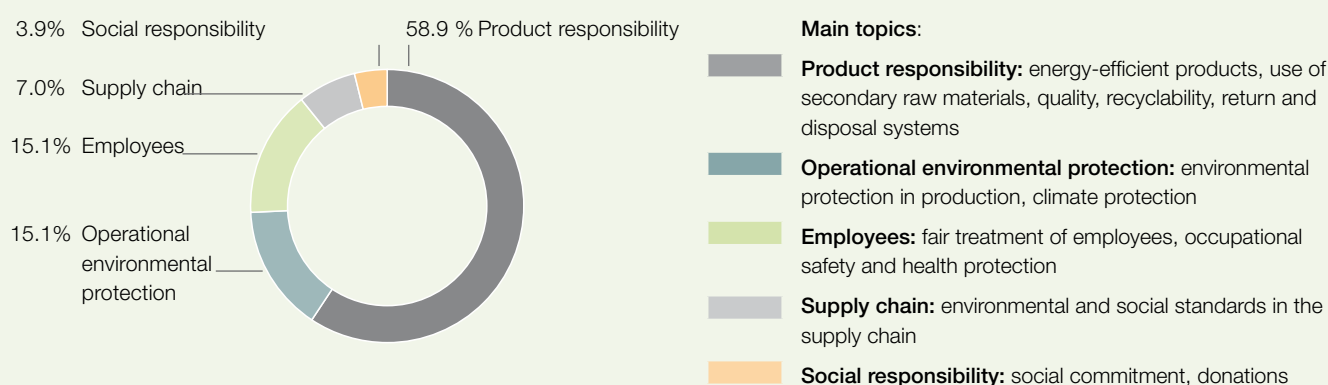
Miele has been, and continues to be, intensely involved in political discussions connected to

the revision of the European energy efficiency label. Miele supports the endeavours to make energy-efficient appliances easily recognisable to customers without causing confusion during the changeover to the new label. Miele welcomes the fact that consumption data for domestic washing machines will include more commonly used programmes and standby consumption from 2011. Noise levels will also be declared. It is the company's opinion that the new label will make it easier to disclose technological advances and additional energy efficiency classifications (A+, A++, A+++).

### Outlook and objectives

Miele has already acted on the requests identified in these dialogues, such as appliance recyclability and ecological production and will continue in its efforts. ► "Production" Dialogue with the stakeholders will be continued in the future.

### Relevant topics on the issue of sustainability for Miele (customer survey)



2009/10

Product responsibility



## Product design

Miele aspires to manufacture the best products. Domestic appliances and commercial machines that win over their users with their functionality, quality and durability and that are designed to conserve natural resources over their entire life cycle. Product design is tasked with making these aspirations a reality.

When designing new appliances and technologies, Miele pursues a overall product life cycle approach. The focus in all this is to continuously optimise domestic appliances and commercial machines – both in terms of customer benefits and in terms of environmental protection and conservation of resources.

The foundations are laid in the design phase, for example regarding the avoidance of critical substances in production, the use of secondary raw materials in the products, guaranteeing product safety in the usage phase and the recyclability of appliances when it comes to disposal. Miele also implements the concept of universal design, among other things to take into account changed user requirements, for example as a result of the ageing of the population.

### Organisation

All relevant topics in the field of operational and product-related environmental protection are discussed in the environmental steering committee, which oversees the entire design process. This committee, chaired by the executive board, manages product-related and operational environmental protection in the operational business and handles strategic objectives.

Research and Pre-Development analyse potential technologies and appliance improvements across all product groups with a focus on environmental protection, energy consumption

and recyclable content. Their aim is to evaluate potential, with promising technologies being systematically transferred to series development. The Miele environmental checklist plays a role even at this stage. Throughout the entire design process, this checklist is the prerequisite for moving on to the next stage.

### Integration of stakeholder interests


In order to identify the various developments early on, the requirements of the stakeholders are systematically integrated into the product creation process. With the increasing internationalisation of the commercial machines business area, the trend for custom design is growing. Standard products are unable to satisfy the requirements of customers worldwide.

### Achievements

#### Domestic Appliances

Miele has managed to continuously reduce the consumption values of its domestic appliances, while maintaining or even improving performance. The washing machines for the European market even boast an energy consumption that is over ten percent better than the limit value of the Energy Label's best energy efficiency class, class A – measured in terms of the average fleet consumption of all appliances. Miele has therefore exceeded its objective of reducing power consumption to below 0.17 kWh/kg of dry laundry by 2009, with the current figure standing at 0.16 kWh/kg. Thanks to the introduction of automatic detergent dispensing for liquid detergents,

Hiltrud Rohde, responsible for process validation, checks a soiled strip in the wash laboratory. This strip is used to measure detergency in accordance with the EN 60456 standard.


► Organisation
► Customer requirements analyses
► Design phase

it is now possible to wash with almost 30 percent less detergent based on average consumption. This was confirmed by Germany's Öko-Institut in a study commissioned by Miele.

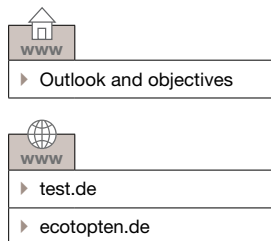
In 2009, all European domestic dishwashers were awarded the AAA rating. This means they received top Energy Label values for energy consumption as well as cleaning and drying efficiency. Moreover, the new heat-pump tumble dryer uses 50 percent less energy than a conventional condenser tumble dryer. In 2009, over 75 percent of all refrigerators/freezers sold by Miele met the highest criteria of the two best energy efficiency classes (A+ and A++); in 2010, this figure rose to 85.4 percent. The Eco Line vacuum cleaner (1,400 watt) uses up to 40 percent less energy than 2,200 watt models – without compromising on cleaning efficiency.

### Commercial machines

The combination of two methods for conserving energy and natural resources opens up enormous saving potential for washing machines used in laundries. The water recycling system enables special detergents and baths to be used multiple times. At the same time, the weighing system automatically determines the weight of the respective load and adjusts the energy and water consumption accordingly. The combination of the two systems means that the appliances use up to 45 percent less water and more than 10 percent less energy than a conventional machine of the same type.

### Outlook and objectives

Objectives and projects are designed with saving energy and conserving natural resources in mind. Achieving further energy savings across all appliances and in all modes remains a top priority for Miele. Miele aims to ensure that its domestic appliances and commercial machines are the most efficient on the market.



### Measures to reduce the environmental impact in every life cycle phase of a product

#### Disposal

- Compliance with legislation (WEEE, RoHS)
- Commitment to optimising recycling processes/increasing the recycling rate

#### Usage phase

- Low consumption values
- Long service life
- Trained maintenance and repair service



#### Product design

- Compliance with legislation and guidelines (incl. Eco Design Requirements for ErP)
- Integrated product policy
- Consideration of stakeholder requirements
- Material selection focused on using secondary raw materials and ensuring a high level of recyclability

#### Production

- Environmental and energy management
- Use of best technology available
- Avoidance of critical substances

#### Transport and logistics

- Distances kept to a minimum
- Transport bundling
- Efficient utilisation of freight space
- Use of low-emission means of transport



## Production

Ensuring that production is environmentally friendly throughout the company is a top priority for Miele. The company's focus in this area is on the efficient use of energy, avoidance of environmentally relevant emissions and conservation of natural resources. In taking such action, Miele is tackling the key issues of our times: climate change and increasing scarcity of resources.

### Environmental management

With a vertical range of manufacture of almost 50 percent, a percentage unusually high for the sector, Miele is able to ensure that environmentally friendly methods are used for a large proportion of the value added. A strategy of avoidance, reduction and recycling is employed right from the planning of systems and processes. Environmentally relevant systems and processes are largely developed by Miele itself and continuously optimised.

The suppliers of raw materials and components are also required to prove their adherence to high environmental standards. ► "Sustainability in the supply chain"

Operational environmental protection at the Miele production sites is governed and organised by the ► "integrated management system". This system has been environmental management certified according to ISO 14001 at all European sites since July 2010. The exception among the Miele sites is the Dongguan location in China. Preparatory measures for setting up an environmental management system are planned at the site.

When developing energy efficiency initiatives as a key means of climate protection, Miele works in Gütersloh and in some parts of Bielefeld, Oelde and Bünde with an energy management system based on DIN EN 16001. This system ensures transparency in relation

to the energy flows of the principal systems and equipment and will be rolled out gradually across all sites.

### Achievements

#### Use of energy and emissions

In 2008, the executive board organised the first ever energy workshop in Gütersloh. Representatives from the production sites came together to look at ways in which existing energy-saving measures could be pooled and successful concepts rolled out to all German sites. In light of the success of the workshop, this event will now take place at least once yearly.

In addition, investments were made in energy-saving initiatives and thus climate protection. For example, 2010 saw the continuation of the project to renovate older buildings in Gütersloh, with a particular focus on climate protection aspects. Other measures implemented include the complete changeover of heat supply in Gütersloh to environmentally friendly long-distance energy and the resulting shutdown of the boiler plant there. The savings achieved from this amount to 2,500 MWh per year, which corresponds to 515 tonnes of CO<sub>2</sub>, i.e. six percent of the emissions previously generated there.

In 2009/10, CO<sub>2</sub> emissions came to 55,025 tonnes, 1.3 percent more than in 2008/09. This rise can partly be attributed to the commissioning of the new production site in Braşov.



Climate protection project for the region: A photovoltaic system was fitted on the roof of a production hall in Gütersloh in co-operation with the public services. Over the next two decades, it will generate over eight million kWh of solar electricity, which from a present-day perspective corresponds to CO<sub>2</sub> savings of approximately 4,200 t. With an average yield of over 400,000 kWh per year, the system will generate enough energy to supply roughly 150 households with solar electricity.

However, a variety of endeavours has seen Miele achieve an overall CO<sub>2</sub> reduction of 13.9 percent since 2007. In relation to production output, in the 2009/10 financial year 315 kg of CO<sub>2</sub> was emitted per tonne of product, which represents a 5.1 percent reduction compared with 2007 (332 kg of CO<sub>2</sub>).

#### Raising awareness among employees

Sensible use of energy requires awareness of the issues involved. As a result, a number of programmes have been introduced in the plants to encourage all employees to save energy. Gütersloh, Oelde, Lehrte and Warendorf were the pioneers. Even before the programme started, an analysis in a representative office area showed that energy requirements can be reduced by about 20 percent by raising awareness among employees.

#### Materials and waste

The increasing scarcity of natural resources demands efficient use of materials as well as a search for substitutes and the use of secondary raw materials.

In 2009/10, Miele used 101,893 tonnes of raw materials, of which 93 percent was metal in the

form of iron and non-ferrous metals, steel and its alloys. Metal is the main component of almost all Miele appliances and a decisive factor in their quality and durability.

The raw material plastic currently makes up 7 percent of total raw material use. Modern plastics manufacturing is so precise that the use of the material is extremely resource-conserving. ► "Disposal"

Miele appliances have a high metal content in order to fulfil quality requirements and enable a long service life. Metals used include grey cast iron, for example in bearing crosses and mass balance weights – or counterweights as they are often known – for washing machines. The heaviness of the products leads to high acceleration forces during transport, which also affects the packaging. This means that very stable packaging is necessary. Across all appliances manufactured by Miele, the proportion of packaging weight is 8.1 percent (2009/10). In 2000, this figure was 8.8 percent. Miele is striving to further reduce this percentage without impairing the protective function of the packaging. For instance, at the Lehrte production site the wooden frame has been dispensed with thanks to the development of a new film wrapping, which led to a considerable 54.7 percent reduction in the materials and weight of the packaging.

With regard to waste management at the production sites, the systematic avoidance strategy is bearing fruit: Total waste has fallen to approximately 28,900 metric tonnes, a drop of nearly 11 percent compared to 2007/08. Of this, 88.8 percent was sent for recycling and processing, whereas only 1.2 percent went to landfill.

Miele actively pursues a separation of waste at the source policy, from the admin-

istration offices through to the sorting plants adjacent to production.

### Water and waste water

Miele is continuously striving to reduce its water requirements through systematic water management. Since 2007, it has reduced total water consumption by just under five percent and has even managed to reduce the amount of waste water by 11 percent over the same period.

This reduction is partly down to initiatives such as those in Gütersloh, where savings have been achieved through merging production stages in surface processing and through cascading water flows.

### Outlook and objectives

In the future, Miele is set to pursue further investments in energy-efficient production and climate protection. This includes continuous improvement of processes and systems. Buildings and building installations will also

### Climate protection in the subsidiaries

Protecting the environment by means of saving energy is also vital in the subsidiaries: In Belgium, an environmental protection working group carried out a study in the reporting period on identifying potential areas where energy can be saved with a view to introducing suitable measures. In the USA, an environmental committee was established with representatives from different departments. The committee regularly scrutinises the processes and advises the subsidiary management team on potential energy-saving measures. In Sweden, the building is cooled by means of sea water. To reduce CO<sub>2</sub> emissions, the building is heated by long-distance energy.

Subsidiaries such as those in Australia, France, Italy and Switzerland also rely on energy-saving lighting systems with timers and light sensor technology. Energy-saving LED bulbs and daylight-dependent lighting control systems are also used as a priority in the offices.

### Outlook and objectives

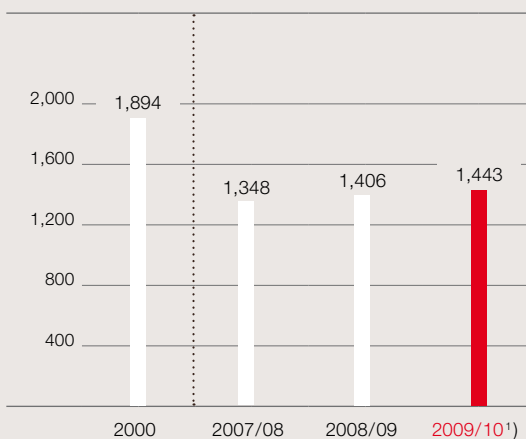
The subsidiary in Portugal is planning to install a photovoltaic system on the roof of a warehouse in 2011. The Norwegian subsidiary is planning to use geothermal energy in a new building. The subsidiaries in Greece and the USA are also looking into the possibility of using photovoltaics or geothermal energy.

be further optimised through increased use of building control systems and use of state-of-the-art energy-efficient drives. Employees will be involved to a greater extent in climate and environmental protection initiatives and the programme to raise awareness will be expanded. Miele aims to develop a method for determining the company's carbon footprint by 2013, in a bid to make the effects of its business activity on the climate measurable. It plans to gradually include the CO<sub>2</sub> emissions from business trips, customer service journeys and goods deliveries. Alongside climate protection, initiatives to conserve natural resources will also be pursued as a matter of priority.



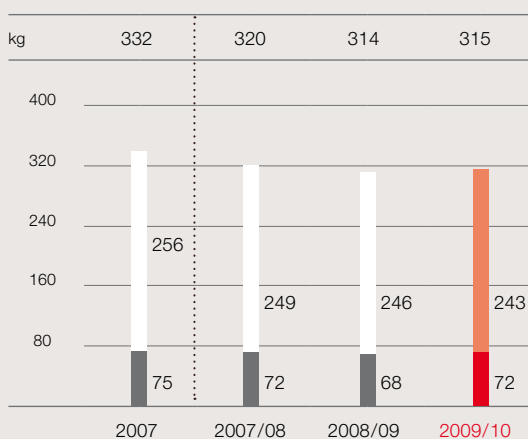
► Outlook and objectives

**Total energy consumption per tonne of product**  
in kWh



<sup>4)</sup> The new production site in Braşov, Romania is included for the first time in 2009/10.

**Specific CO<sub>2</sub> emissions per tonne of product**  
in kg



Figures are rounded.

Indirect CO<sub>2</sub> emissions  
Direct CO<sub>2</sub> emissions

## Transport and logistics

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Across the globe, large amounts of materials, parts and appliances are transported for Miele every day, mostly by HGV. Miele's well-managed distribution logistics ensure that global transportation places as little strain as possible on the environment. In the future, Miele will continue to ensure that all transportation is as efficient as possible and that the impact of transport-related CO<sub>2</sub> emissions on climate change is reduced. This is Miele's declared aim. To further increase the efficiency of the company's transport network, materials procurement, goods delivery and customer services will be integrated and continually optimised.

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All HGV transport is carried out by distributors and carriers. Miele endeavours to continually improve efficiency in this sector, as far as its influence will allow. Miele has taken a range of measures to achieve this aim, including bundling transport, efficient utilisation of freight space and use of low-emission means of transport. Miele is also aiming to reduce the environmental impact of commuting and business trips.

### Transport bundling

Miele predominantly produces its products in Germany – a geographically central location in Europe. Eight of twelve production sites are situated in North Rhine-Westphalia and Lower Saxony alone and can be reached easily and, most importantly, quickly from the headquarters in Gütersloh (Westphalia). This concentration of locations allows Miele to apply a central storage concept, with distances kept to a minimum. It is also perfect for rapid and effective deliveries to the main Miele markets, which are all found in Europe.

Before being distributed worldwide, almost all products are bundled, sorted and commissioned at the central site in Gütersloh. From here, Miele products can be efficiently distributed across the world. In this way, Miele keeps CO<sub>2</sub> emissions to a minimum, right from the word go.

### Efficient utilisation of freight space

Optimum utilisation of freight space in every HGV, railway wagon and sea container is a further source of logistics leverage. For incoming goods, this is ensured via a local shipping network. Miele selects suitable means of transport for outgoing goods, such as high-volume freight lorries. These feature taller cargo compartments, which allow for 50 percent greater loads than standard vehicles. Today, 70 percent of HGVs delivering for Miele are what are known as "jumbo trucks". Transportation via these trucks accounts for 50 percent of the entire volume of freight. Before loading, an exact plan is made of every vehicle using specialist software to ensure that the freight space is used as efficiently as possible.

### Low-emission means of transport

Where possible, Miele prefers transport by railway. Nine percent of the distribution to subsidiaries is made by railway, 20 percent by ship and 71 percent by HGV. All new cars and commercial vehicles purchased for the Miele fleet are required to have the best possible emissions classification. Miele has reduced the environmental impact of the German subsidiary's customer service department using a route optimising system and by supplying customer service technicians with parts on a needs-oriented basis.



### Achievements

The creation of a local shipping network for incoming goods, started in 2007, was an important step towards reducing the volume of transportation, and with it the volume of CO<sub>2</sub> emissions. With this system, shipments from various suppliers are first bundled in their respective regions and then sent on to Miele plants in HGV transporters filled to capacity. This local shipping network prevents empty runs and transforms large numbers of separate trips into small numbers of high-volume trips. Miele has turned 10,000 separate annual shipments into 2,700. The new system controls the entire flow of goods, from assessment of demand to transportation to stock receipt.

The Miele fleet includes both company cars and customer service vehicles and consistently uses low-emission vehicles. The proportion of cars with EURO 5 classification rose from 0.2 percent (2008) to 10.4 percent (2009). Around 90 percent of all Miele cars now have EURO 4 or EURO 5 classification. The propor-

tion of light commercial vehicles with EURO 4 classification in the customer service department rose from 46 percent (2008) to 64 percent (2009).

### Outlook and objectives

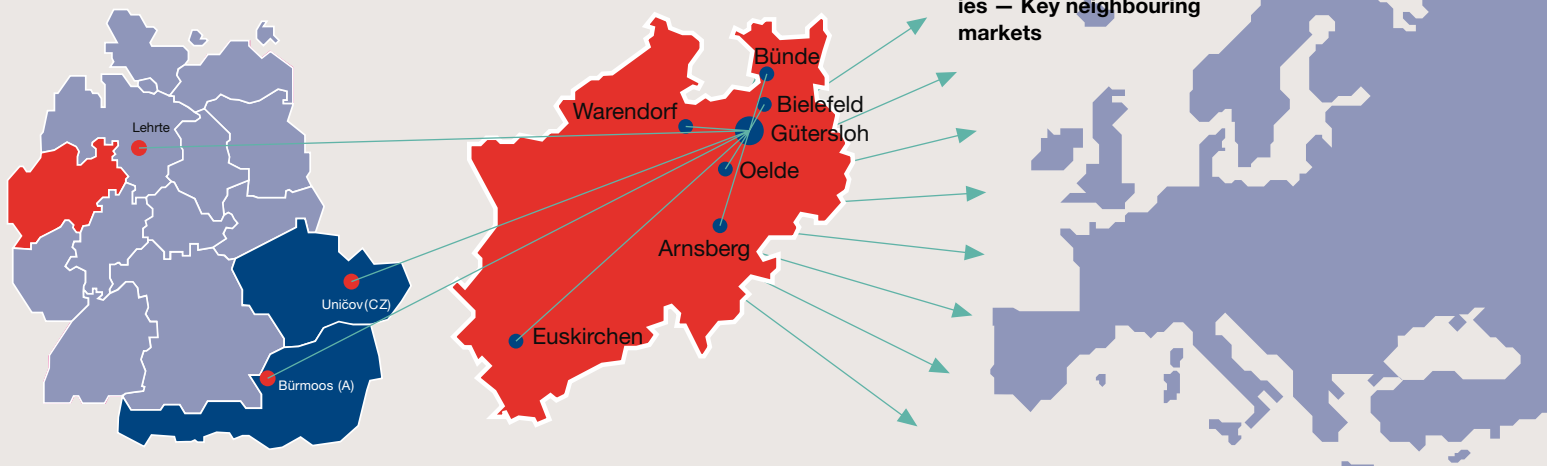
The local shipping network is to be expanded as far as is practical. The logistical capacity of all suppliers will be considered – current suppliers gradually, new suppliers automatically. The possibility of a connection to the site in Bürmoos, Austria, is currently being examined. Across the board, Miele is increasing its use of service providers who optimise fuel consumption by using ecological vehicles and courses in environmentally aware driving. Until 2012 the development of a logistics IT platform to control and optimise transportation will be completed. The aim is to be able to respond to demands and requirements even more effectively.



► Employee mobility
► Objectives and achievements

### Centralised Miele logistics

#### Bundling in the Gütersloh central warehouse



## Usage phase

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For ecology-minded customers today, the consumption values of appliances such as washing machines or refrigerators are a decisive factor when it comes to choosing which appliance to buy. This makes sense from both economical and ecological points of view. Domestic appliances produce around 90 percent of their total energy expenditure and environmental impact during their usage phase, i.e. during their use in the home. Miele therefore concentrates on developing and producing appliances that save resources and energy. This creates a basis for eco-friendly use of long-life products.

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Energy, water and chemicals can be saved in everyday usage. Manufacturers cannot directly influence user behaviour, of course, but Miele enables its customers to further reduce consumption on an individual basis.

New developments, such as Eco Feedback, which displays current energy and water consumption, open up new pathways to resource efficiency and contribute to creating customer awareness. Having the exact consumption data right before your eyes makes you see things in a new light. Many Professional washing machines can even call up consumption data from the last 300 programmes. This makes it easy to work out which are the most economical programmes.

With all these developments, environmental protection goes hand in hand with user convenience. For example, load detection and dispensing recommendation functions for washing machines can help to prevent the common problem of overuse of detergent and so avoid a negative environmental impact.

The benefits of using systems such as these become even more apparent when the long lifespan of Miele appliances is factored in. Miele appliances are tested for up to 20 years' operation and these benefits are a key aspect of

the high quality provided by Miele. These innovations are all possible thanks to the electronic control units in the domestic appliances and commercial machines. Miele has invested large amounts of capital and development work into these control units at the company's electronics site in Gütersloh.

The view that it is more ecologically sound to replace old appliances that still work with more efficient new appliances cannot be justified when dealing with the latest Miele products. This has been confirmed by a study carried out at the Öko-Institut in Freiburg in 2009. Results showed that the emerging trend of longer appliance lifespan is ecologically beneficial. These results are subject to the assumption that there will be no significant increases in efficiency in comparison to the current top appliances. In addition, the update function of many appliances provides an opportunity to exploit further optimisation potential in the development of new detergents or textiles. Nevertheless, the company is of course continually pushing the development of more energy-efficient appliances.

### Customer information

Miele endeavours to increase the ecological awareness of its customers through provision of information and to establish the idea that ecologically sustainable behaviour also makes



With household appliances, the focus is on functional value and enjoyment of use. When it comes to choosing which appliance to buy, efficiency and eco-friendliness are becoming increasingly important.

good economical sense. This is achieved through publications, the Internet and direct discussions. Information about consumption data and tips on energy-efficient use of appliances are provided in all user manuals and sales brochures for Miele products worldwide.

Until now, the topic of resource conservation has been given low priority, particularly when dealing with expensive commercial machines. Inefficient but lower-priced appliances are often preferred. Miele sales departments therefore individually calculate the lifecycle costs of commercial machines based on customer requirements and local conditions and prepare detailed amortisation schedules. Consumers can also gain an independent overview of the lifecycle costs of Miele domestic appliances compared to the competition from efficiency rankings such as the Eco Top Ten Study carried out by the Öko-Institut.

### Achievements

High levels of Miele customer satisfaction are confirmed by excellent ratings in recognised competitions. In 2010, Miele achieved the highest rating of any domestic appliances manufacturer at the German "best brands" awards in

the category of best sustainability brands. In the same year, Miele again won the "Most Trusted Brand" award based on the annual international survey carried out by Reader's Digest.

In 2009, German customers voted Miele customer services the best in the industry for the 16<sup>th</sup> time, giving them a score of 1.96 (average score 2.11). The survey was carried out by the benchmarking initiative Kundenmonitor Deutschland (German customer satisfaction index).

The market launch of automatic washing machines with Eco Feedback function for controlling and adjusting electricity and water consumption took place in 2010.

### Outlook and objectives

Domestic appliances with smart grid technology will be introduced in 2011. Smart grid-capable appliances will provide the potential for considerable cost savings in the coming years. They automatically use the cheapest electricity tariff available from the utility company at any given time. In Germany, as in other countries such as Switzerland and France, the future electricity market will be increasingly ruled by supply and demand. Since January 2011, the utility companies have been required to offer a variety of electricity tariffs to German consumers.

Transparency in relation to the lifecycle costs of commercial machines will be further improved for customers with appliances from the Professional range. Medical technology will be improved through systematic appraisal of customer satisfaction and customer benefit; to this end, Miele carries out customer surveys at least once a year. Standards will be determined using a balanced score card.



► Customer service



► ecotopten.de

► bestbrands.de

► kundenmonitor.de

## Disposal

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Miele adopts a forward-looking approach when it comes to the disposal of its appliances. Decisions regarding material selection and product construction made in the product design phase determine to what extent the appliances can be sent for environmentally friendly recycling. Alongside legal requirements, the issue of conservation of natural resources plays a decisive role. Miele therefore strives to achieve a high degree of appliance recyclability and supports continuous improvement of recycling processes.

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The company has a direct influence on the recyclability of its appliances as early as the material selection phase. However, not every material that can be easily recycled satisfies Miele's requirements in relation to quality, durability and performance. The challenge here is to strike a harmonious balance between the two perspectives. Miele has successfully risen to this challenge.

The high metal content of 85 percent in domestic washing machines and up to 90 percent in commercial machines makes a significant contribution not only to quality, but also to efficient recycling.

Miele aims to further increase the already high proportion of secondary raw materials, particularly in the metal used, while taking into account the criteria set out above. This represents an important contribution in terms of conservation of natural resources.

The proportion of recycled plastics in Miele appliances remains low. There is a good reason for this: There are virtually no standardised recycled products capable of being used over a prolonged period while maintaining the same high quality on the market for sophisticated technical applications. However, Miele is closely monitoring developments with the objective of using more recycled material as soon as possible.

To facilitate manual disassembly, Miele keeps the number of material types and screw varieties low and labels plastic parts according to the DIN ISO 11469 international standard.

When it comes to expensive medical products, Miele's golden rule is that customers should be able to use their existing accessories with the new appliance, such as the baskets used with the large-cabinet decontamination units. This significantly reduces the amount of material sent for disposal or recycling.

### Returns and recycling

Optimisation of recycling processes is a source of further leverage for environmentally friendly disposal of old appliances. Here, Miele is working together with its waste disposal partners, among other things to increase the recycling rate. Miele is also supporting the international expansion of return and recycling systems.

Through its association and committee work, Miele was heavily involved in the drafting of the EU WEEE Directive (Waste Electrical and Electronic Equipment Directive) and in its implementation in national law. Miele is also involved in various working groups at national and EU level that are continuing to look into the topics of waste and disposal.



Miele has set up its own return and recycling systems for old appliances or is involved in collective return and recycling systems in a total of 29 European countries. The aim of these systems is to facilitate ecologically compatible and economically sensible recycling of old appliances, either by returning materials into the economic system or by means of alternative recycling processes. In addition to mechanical processing, high-quality plastics can be recycled using raw material processes, in which the used plastics and elastomers replace fossil raw materials such as heavy oil or coal.

Miele is involved in extensive return systems for recyclable product packaging in all EU member states and in other countries too. The disposal systems in the various countries ensure that the recyclable materials from transport and sales packaging are returned into the economic system.

### Achievements

#### Domestic appliances

Domestic washing machines are currently up to 94 percent recyclable. The proportion of secondary raw materials in the metal used is up to 62 percent.

Refrigerators that are more than 15 years old often contain an ecologically harmful coolant and insulant (CFC), which must be completely recovered during disposal. In Germany, procedures, operators and treatment facilities are subject to strict permits and checks by state regulatory authorities. Regular voluntary audits of the recycling facilities (up to four audits per facility per year) have also been arranged at the instigation of manufacturers and with significant involvement from Miele. These audits are performed by certified inspectors and cover treatment facilities, their documentation and



Commercial machines such as these washing machines have a metal content of up to 90 percent. This contributes significantly to their quality and also to efficient recycling.

handling of ecologically harmful substances. The results are used for the continuous improvement of recycling facilities.

### Outlook and objectives

Miele strives to continuously improve recycling processes and attain a high recyclability of its appliances.

Comprehensive field tests are currently being carried out with the involvement of various manufacturers and under the supervision of certified inspectors in selected recycling facilities for refrigerators. The aim is to determine the average quantity of coolant and blowing agent in current old appliances in everyday operation at the recycling facilities by spring 2011. This will help to further improve the recycling processes.



► Return and recycling systems

► Outlook and objectives

# Employees



## Personnel policy and corporate culture

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From 1899, company founders Carl Miele and Reinhard Zinkann laid the foundations for the current personnel policy at Miele with their caring approach which was not at all typical by the standards of the time. This has resulted in a personnel policy characterised by social equity and respect. This genuine harmony together with the special corporate culture at Miele is a key factor in the satisfaction and loyalty of the company's employees. Respecting employee rights is of course part of this.

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As an employer, Miele offers all its employees appreciation, fairness and opportunity for dialogue. Employees are given the freedom to actively participate and take on responsibility. In return, Miele expects above-average commitment. The role of the personnel policy is therefore to promote the performance, expertise and satisfaction of employees in order to secure their long-term commitment to Miele.

Miele seeks qualified, skilled individuals who are well-trained, creative and enthusiastic. Miele's requirements are high. At the same time, the challenges faced by the personnel policy are increasing as a result of the internationalisation of the company and global developments. Miele is growing through its worldwide activity, and this entails both an increase in the number of employees and a resulting international demand for qualified, skilled personnel. Demographic change in the industrial nations is further intensifying the competition for talent. The requirements are changing considerably more rapidly than before and the international networking is increasing the complexity of the situation.

Miele is meeting these diverse challenges head on with a forward-looking personnel policy oriented towards the needs of employees and the company. This includes a variety of opportunities for development throughout

an employee's working life, promotion of life-long learning, flexible working time models and attractive benefits. These topics will be discussed in detail in this chapter and online. The certification of the Miele sites according to the SA8000 social standard underlines the company's ambitious desire to be a responsible employer that consistently respects the fundamental rights of its employees. This applies worldwide.

### Employee participation

Miele openly supports employee participation. In the European sites, the interests of employees are represented by works councils, independent trade unions or other forms of employee representation according to national regulations.

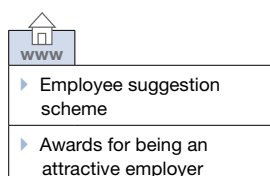
In Germany and the Czech Republic as well as in some subsidiaries such as France, Italy and the Netherlands, elected works councils are responsible for representing the interests of employees. Employees in Germany are represented by the IG Metall trade union, while employees in the Czech Republic are represented by the KOVO union. In Dongguan, an employee association set up in 2009 meets monthly with the personnel department in order to discuss suggestions and potential points of conflict along with ways in which these can be addressed.

The representation of interests of the agency workers who work for Miele is regulated via the labour agreements of the personnel service providers. In 2007, Miele signed a general works agreement in which it undertook to exclusively enter into contracts with service providers who have concluded a labour agreement.

Miele has maintained a close and trusting relationship with the employee advocacy groups for decades. In the event of potential change processes, the executive board notifies the employee representatives promptly and in detail.

### Achievements

At the end of the 2009/10 financial year, Miele had 16,561 employees worldwide. Over 60 per cent of the total workforce works in Germany. There was no relocation of existing jobs to other countries, for instance for cost-cutting purposes, or compulsory redundancies in the reporting period. Employee turnover is traditionally very low at Miele, a sign of employee satisfaction. In 2009/10, employee turnover was 0.68 percent (previous year: 0.78 percent).



The 263 employees who were honoured in 2009/10 for 25, 40 or even 50 years of service provide further proof of the high level of employee loyalty.

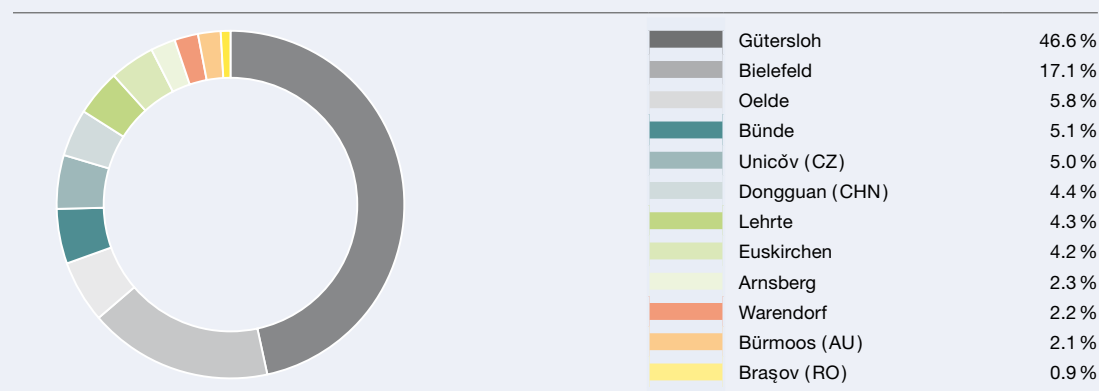
National and international awards confirm that Miele is also seen as an attractive employer by outsiders. For instance, the subsidiary in the USA was honoured as an outstanding employer by the New Jersey Business & Industry Association in 2009.

### Outlook and objectives

The workforce will continue to be qualitatively and quantitatively aligned with the company's growth strategy. This is currently demonstrated by the integration of the new production site for electronic components in Braşov, Romania.

Miele is ensuring high quality standards by setting up a dedicated production facility with qualified staff at the site. Certification of the Chinese production site Dongguan according to SA8000 is scheduled to be completed by the end of the 2013 financial year.

**Employees by production sites**  
in %



2009/10

Number of employees in the sites

10,368



## Employee benefits

Miele employees achieve a lot, often putting above-average commitment, energy and creativity into their work. This makes a significant contribution to the success and identity of the Miele brand. For its part, the company offers ways of maintaining and increasing the satisfaction and performance of its employees, for example by means of performance-related remuneration, comprehensive fringe benefits and flexible working time models.

### Performance-related remuneration

Appropriate remuneration of employees is a matter of course at Miele. Miele wants to be an attractive employer even – and particularly – in tough economic times. The company therefore aims to maintain its range of benefits across the board. Remuneration is based on labour agreement and company rules. The amount of remuneration is determined by the requirements of the job and not by gender.

When it comes to agency workers, a general works agreement signed in 2007 stipulates that Miele will only work with temping agencies who have concluded a labour agreement with a trade union that belongs to the Confederation of German Trade Unions (DGB).

Pay-related incentive systems exist for field sales employees and the marketing activities of customer service technicians. Here Miele rewards individual performance with an additional bonus.

At the Dongguan site in China, Miele commissioned a study of the minimum wage and local wage levels. The result was an increase of employees' salaries to the corresponding "living wage", which, unlike the minimum wage, covers the cost of living. Remuneration at the site in the Czech Republic is also based on the local cost of living.

### Comprehensive fringe benefits

Miele supports various pension plan models in Germany, such as the employer contribution plan ("altersvorsorgewirksamen Leistungen") or deferred compensation via the MetallRente pension scheme. A company pension scheme for employees exists since 1929.

The subsidiaries procure discounted supplementary insurance policies for their employees, for example denture insurance. Many subsidiaries procure pension, health, invalidity and survivors insurance.

### Flexible working time models

Working time is regulated by labour agreement and company provisions and also complies with the requirements of SA8000. Miele offers flexible working time models in order to enable its employees to have a healthy work-life balance, while at the same time meeting production requirements. Various part-time and full-time options are possible, such as flexible shift systems or partial retirement for older employees. Specific "target group models" do not exist. The solutions are geared to the professional and personal needs of the individual.

The subsidiaries offer similar options. In Norway, for example, the "Senior Programme" offers employees over 55 years old special working models, such as part-time or working from home options.

Since September 2007, the Austrian subsidiary offers a childcare facility for employees with young children to enable employees to better combine professional and family life. Having the workplace in the same building gives both, the children and their parents the opportunity to be nearby. This creates an organizational advantage and calms the parents down in case their children are not feeling so well.

### Achievements

In 2009/10, the proportion of employees on flexitime in the German sites rose to 45 percent – 2 percentage points higher than in the previous year.

2009 flexible working times for the technical field staff in the sales and service centres have also been introduced.

The option to take parental leave is actively taken up in the company. In 2009/10, 94 employees in Germany entered parental leave. Men are becoming increasingly interested in the option. The number of men staying at home to provide childcare was 36 in 2008, rising to 46 in 2010. However, men tend to take shorter parental leave of a few weeks or months.

In 2009/10, 277 employees entered partial retirement, increasing the rate to 8.5 percent of employees in Germany.

### Outlook and objectives

Miele aims to do even more in the future to help its employees combine family and work. To this end, the company plans to develop a new programme for a family-friendly personnel policy. The first step in this will be to establish the demand in order to create a need-based offer. The focus will be on co-operation with external service providers to arrange and supply child-



Manuel and Leon having fun in the Miele kindergarten in Austria.

care and nursing services. The first initiative will be to set up childcare places for children under three in a day-care centre close to the plant in Gütersloh.

Miele will also offer advice relating to childcare and care for the elderly (nursing services) and arrange such services, as well as arranging backup/emergency options for short-term, temporary childcare. Furthermore, Miele will standardise and formalise parental leave discussions and offer further training and qualification measures specifically for parents. In addition, special initiatives will be implemented to ensure that parents are better integrated into the company information flow.



► Performance-related pay
► Comprehensive fringe benefits
► Family and career

## Youth development programme

Miele offers many interesting fields of work, all of which contribute to the success of the company. This requires talented young people. This talent needs to be discovered, nurtured and developed. Targeted youth development therefore plays an important role in the company.

The personnel policy's overarching goal is the adaptation of the workforce to Miele's growth strategy. However, the shortage of skilled labour – particularly in the technical area – makes it difficult to acquire new talent. A further challenge is presented by the changes to the education system, for instance as a result of the Bologna Process. Miele has already responded to these changes with suitably adapted trainee programmes for university graduates. To successfully meet these challenges, youth training at Miele is structured in a holistic manner. Three key areas form the basis of the training:

- ▶ Systematic and diverse basic education through training
- ▶ Bachelor programme and integrated degree programme
- ▶ Direct entry after university via trainee programme

Miele aims to position itself as an attractive employer among young people and is therefore pursuing initiatives to increase awareness among potential young employees before they start their apprenticeship or studies.

### Achievements

In the reporting period, the proportion of apprentices in the overall workforce in Germany was 4.2 percent. In addition, more women were attracted to the technical training programme. In 2009/10, they made up 11 percent of technical apprentices in Germany (2008/09: 9.2 percent). All 434 apprentices were subsequently taken on as employees. In light of Miele's inter-

national presence, young employees' placements abroad have been increased in length and frequency.

Between 2008 and 2010, six graduates progressed through the trainee programme in Germany, which has been in existence for 20 years. Five of them subsequently stayed on at Miele. Miele is a partner of the National Pact for Women in MINT Careers initiative run by the German Federal Ministry of Education and Research. The goal of the project is to utilise women's potential for scientific and technical careers in light of the looming shortage of skilled labour.

As part of the MINT initiative, Miele is supporting regular cross-plant meetings of female engineers and in April 2010 participated for the seventh successive time in Germany's "Girls' Day" to interest schoolgirls in technical occupations. Ten girls visited Miele in Gütersloh.

### Outlook and objectives

Miele will maintain the quantitative and qualitative level of apprenticeship and integrated degree programme courses. The training will continue to be qualified and targeted to actively counter the shortage of skilled labour. Co-operation with schools will be intensified from 2011 in order to drum up and foster enthusiasm for technology and science. Pupils from both primary schools and secondary schools will learn about physics in its practical implementation. They will visit the company, or Miele employees will come to their classrooms.



**MINT = mathematics, informatics, natural sciences, technology**



- ▶ Training and integrated degree program
- ▶ Entry programmes

## Personnel development and further training

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Targeted personnel development is a top priority at Miele. It always takes place with the awareness that it is the employees who make the success of the company possible in the first place. Miele offers its employees personnel development and further training that is broad in scope but employed in a targeted manner. The objective is to ensure the performance and employability of a workforce that is on average getting older. Individual skills and personal needs form a particularly focus.

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Personnel development and further training are key components of the personnel policy and support the company's growth strategy. Alongside internal developments such as the internationalisation of the company, external factors present personnel development with difficult challenges. One of the main factors is demographic change, which can lead to a shortage of skilled labour and ultimately to the loss of valuable expertise.

To combat this, the personnel policy at Miele sets out the following priorities:

- ▶ Systematic qualification and nurturing of skilled personnel and managers from its own ranks
- ▶ Continuous expansion of talent management, particularly at the German sites
- ▶ Targeted personnel development initiatives for specific target groups
- ▶ Ensuring preservation of internal knowledge and employee networking
- ▶ Standardising company-wide learning

Miele ensures that the skills and abilities of all employees of all ages are constantly developed and expanded through ongoing qualification measures. This occurs through a mix of internal, external and open further training. In addition, employees are given the opportunity for personal professional development by means of recognised in-service further training

events and courses. This supports lifelong learning.

The first step in the personnel development initiatives is the annual employee appraisal, at which employees and managers discuss their respective requirements and above all their needs and mutual expectations. At these appraisals, opportunities for further training are discussed and the desired training path is then co-ordinated with personnel development.

### Achievements

In the 2009/10 financial year, Miele invested just under EUR 16.7 million in the training and further training of its employees. Each employee received an average of 9.38 hours of further training.

Programmes for company-wide qualification and implementation support were developed into building blocks of the Miele success system in order to constantly further develop the skills and abilities of all employees ▶ "Sustainability Management".

To promote systematic qualification and nurturing of skilled personnel and managers from Miele's own ranks, the company revised and expanded qualification programmes for new managers as blended learning by incorporating modern forms of learning. This involves



combining face-to-face training with electronic and other supplementary learning options. The main topics studied are “Leading and Management”.

On the basis of personal profile analyses, management workshops were run for managers in Gütersloh. Over a period of five years, every manager will be trained here for two days a year. The purpose of these events is to facilitate the exchange of experience and expertise between experienced managers, with a direct effect on management practice.

Miele supported targeted development of female employees for management roles by getting involved in the PePon (“Utilising Personnel Potential”) mentoring programme. In 2009/10, the proportion of women in management positions at Miele in Germany was 8.4 percent. This represents an increase of 2.2 percentage points compared to 2007/08.

The new specialised career path in Miele product management represents a further means of developing employees with business potential.

### Outlook and objectives

Miele will continue to invest heavily in personnel development and further training of all employees in order to adapt to the changes in the company’s working requirements and meet the needs and expectations of employees. In addition, Miele will introduce targeted initiatives relating to the personnel policy focal areas set out above in order to counteract the shortage of skilled labour and potential loss of expertise.

Future personnel development activities will continue to focus on nurturing skilled personnel and managers from Miele’s own ranks in the form of a systematic talent management



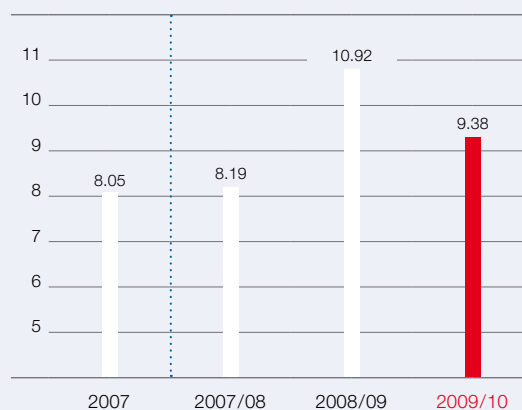
Joachim Faul, Katrin Honold and Tim Oeltjenbruns know that personal discussions underpin personnel development.

system. New talents must be actively sought, systematically recognised, individually developed, and nurtured and trained in a targeted way. Another relevant target group is experienced employees – the average age of Miele employees is 45. This requires age-based programmes with a high level of flexibility in terms of further training options.



- ▶ Three pillars of training
- ▶ Personnel policy

**Average number of hours spent on further training per employee**  
Number



## Occupational safety and health protection

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Miele does a lot to promote the health of employees of all ages and ensure that they are able to perform well at work. The company guarantees the greatest possible occupational safety across all sites and assists employees in staying healthy.

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It goes without saying that Miele fulfils recognised standards and integrates laws and ordinances (e.g. REACh), however this requires a clearly defined organisational structure. At Miele, the areas of occupational safety and health protection are managed with the aid of the Miele management system ► “Integrated management system”, which ensures the implementation of the continuous improvement process and regular analysis of accident trends. The Miele standards cover the content of OHSAS 18001, but are not yet certified according to this standard.

### Organisation of occupational safety

Safety in the workplace at the German plants is ensured by 22 trained professionals. In addition, 189 employees in the production sites and sales and service centres work as safety officers alongside their main jobs. The international production sites also have specialised personnel to ensure occupational safety. In the Chinese site, for example, this is a safety engineer.

Safety meetings and inspections take place regularly in the individual departments of all sites to ensure that the required measures are implemented conscientiously. Around 20–25 inspections per year are carried out in Gütersloh alone. All safety officers there attend a training session four times a year. Further training and deployment of the safety officers takes place with the aid of checklists, seminars on occupational safety topics (hazardous substances, noise, etc.) and lessons at all sites. The necessary knowledge is conveyed to all employees

and frequently updated by means of approximately 450 external further education events a year and special training courses held in virtually all departments.

In the subsidiaries, specialised personnel ensure safe working conditions. In Canada and Belgium, this role is performed by the Health and Safety Committee. In Greece, a safety engineer advises on safety in the workplace, while in the Czech Republic this role is performed by a service technician. Various training measures keep the safety personnel up to date and teach employees how to behave in an emergency. For example, the subsidiary in Portugal carries out regular fire and emergency drills. In Switzerland, evacuation planning is an important component of the fire protection concept and therefore the safety concept.

At a national and international location level, the occupational safety committee also meets four times a year. In Germany, alongside the occupational safety professionals, the site managers, functional managers, company doctor, works council and safety officers all participate in these meetings. In the international sites, this responsibility is assumed in a comparable way.

### Prevention as a means of promoting health

To promote health among employees, the company health insurance fund at the German sites offers prevention-based courses such as back exercise classes and autogenic training. In addition, medical check-ups are offered and actively promoted in the sites. Health promotion meas-



Protective clothing, such as the gloves shown in this picture, is absolutely essential.

ures at the subsidiaries range from a fitness room in Austria to motivational programmes such as “Cycle to Work” in Denmark.

The company takes special care of its apprentices. Every apprentice in Germany takes part in five compulsory events as part of the “Azubi fit” programme. Alongside an introduction to the topic of health protection and a seminar on maintaining a healthy back, three subjects must be chosen and completed from the following five: cardiovascular system, nutrition, coping with stress, addiction and conflict management. Technical apprentices also take part in training sessions offered by the trade association.

### Achievements

Consistent prevention-based measures for reducing the rate of injury are bearing fruit. The number of accidents per million work hours

decreased on average from 14.6 (2008) to 12.7 (2009/10). This places Miele well below the industry average of 17.2 percent (2008) as reported by the occupational trade associations. The number of absent days due to a workplace accident fell by 22 percent to 2,716 (2009/10).

In the reporting period, Miele developed a new process for treating industrial floors affected by asbestos. This now ensures the greatest possible protection for employees during renovation, construction and demolition work. The process was recognised by the trade associations and the district government and thus legally authorised.

### Outlook and objectives

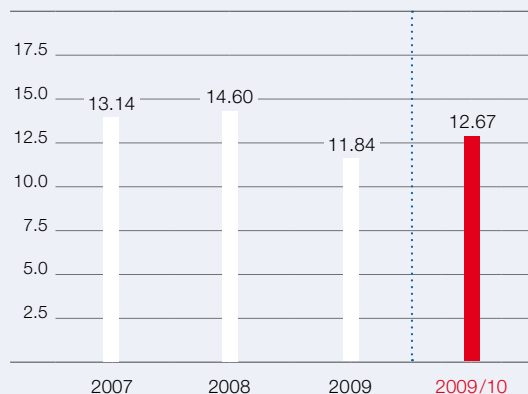
Miele's primary goal is to ensure the greatest possible occupational safety, so as to further reduce the number of workplace accidents and absent days. The company is pursuing this goal by continuously optimising the occupational safety management system. Among other things, this system checks certification according to OHSAS 18001.



- ▶ Organisation of occupational safety
- ▶ Medical provision

### Reportable workplace accidents and commuting accidents<sup>1)</sup>

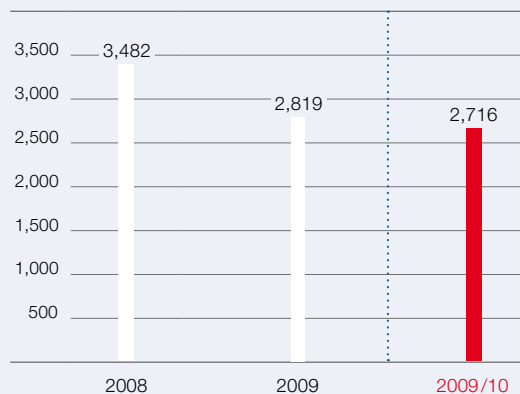
Injury rate per 1 million work hours



<sup>1)</sup> All accident entailing an absence of three or more work days are reportable. Incidents entailing an absence of fewer than three work days are classed as accident notification.

### Absent days due to a workplace accident (excluding commuting accidents)<sup>1)</sup>

Number



<sup>1)</sup> Absent days are scheduled work days that have been missed starting from the accident. This figure is collected since 2008.



Society





## Commitment to the region

Miele takes its social responsibility for local people very seriously. As a result, specific projects are mainly based in the areas where Miele has its production or sales locations. This is in line with the self-concept of the family company.

Miele's social commitment is characterised by long-term projects with a primary focus on the promotion of youth and youth sport. The regional hubs of the activities are in the headquarters in Gütersloh and in Bielefeld, the location of the second-oldest and second-largest production site. In countries where Miele has its own subsidiaries, the managers of these subsidiaries decide independently about what form the commitment should take.

In addition to the commitment of the company itself, the charitable Miele Foundation, which has a capital of EUR 2.5 million, supports further projects. The purpose of the foundation is to promote the public welfare of the city of Gütersloh where the foundation is based. The current focus is on supporting children and culture.

### Achievements

In 2010, the Miele Foundation and the company supported charitable projects in the areas mentioned above with donations totaling EUR 252,000. Since 2009, Miele has been supporting the "Integration Through Sport" programme. The goal of this new project is to develop social skills among socially disadvantaged young people who rarely take advantage of the usual sports activities offered. As part of the mobile youth work of the city of Gütersloh, the sports activities are brought directly to the young people in their neighbourhoods and meeting places. In the cultural sphere, the Miele Foundation supported

the project to build a new theatre in Gütersloh. The theatre celebrated its opening in March 2010.

The "Sports Together" (Gemeinsam zum Sport) initiative for children with behavioural problems as described in the 2008 Sustainability Report started very successfully but has since been discontinued thanks to the increasing availability of all-day care in schools.

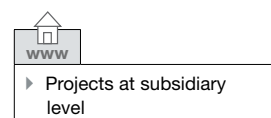
The Miele Foundation supported the "Integration Ideas 2010" competition. Gütersloh's schools, cultural associations and institutions were invited to develop and implement ideas for a successful integration project.

The commitment of the subsidiaries is diverse and is often characterised by long-term partnerships in which the employees also participate. The scope of the commitment depends on the size and resources of the particular subsidiary. Initiatives range from projects for people with disabilities in Belgium to cultural sponsorship in Austria and climate protection activities in Croatia. Examples of projects can be found online.

### Outlook and objectives

2011 will see the commitment of the company and the foundation continued at the same level. Existing projects will continue to receive support. Miele will also be supporting an additional project aimed at developing ideas to integrate migrants.

Bielefeld schoolchildren learn how a vacuum cleaner works at a site visit.



## GRI Index

An annotated version of the GRI Index is available online at [www.miele-nachhaltigkeit.de](http://www.miele-nachhaltigkeit.de)

Organisational and report profile	Degree of performance	References
<b>1. 1. Strategy and analysis</b>		
1.1 Statement from the board of management	•	SR pp. 2-3
1.2 Impacts of business activity as well as risks and opportunities	•	SR pp. 2-3, 6-7, 9, 12-25, 27-28, internet, c
<b>2. Organisational profile</b>		
2.1 Name of the organisation	•	SR front cover
2.2 Primary brands, products and services	•	SR p. 5
2.3 Organisational structure	•	SR p. 5, internet
2.4 Location of organisation's headquarters	•	SR p. 5
2.5 Countries in which the organisation operates	•	SR p. 5 F&F pp. 9, 32, internet
2.6 Ownership structure and legal form	•	SR p. 5, internet, c
2.7 Markets served	•	SR front cover, p. 5, internet
2.8 Size of the organisation	•	SR front cover, p. 5, F&F pp. 4-6, 32
2.9 Significant changes in size, structure or ownership circumstances	•	SR front cover, p. 5
2.10 Awards	•	SR front cover, pp. 23, 28, internet
<b>3. Report parameters</b>		
3.1 Reporting period	•	SR front cover
3.2 Publication of last report	•	SR front cover
3.3 Report cycle	•	SR front cover
3.4 Contact person for questions about the report	•	SR back cover
3.5 Process of defining the report contents	•	SR front cover, internet
3.6 Report boundary	•	SR front cover
3.7 Limitations on the scope or boundary of the report	•	SR front cover, c
3.8 Reporting basis	•	SR front cover
3.9 Methods of data collection and calculation bases	•	c
3.10 Restatements of information	•	SR front cover, c
3.11 Changes from previous reporting periods in the scope, boundary or measurement methods	•	SR front cover, c
3.12 GRI Index	•	SR pp. 38-40
3.13 External verification of the report	•	c
<b>4. Corporate governance, commitments and engagement</b>		
4.1 Government structure of the organisation	•	pp. 2-3, 5, 9, internet
4.2 Independence of the chairperson of the highest governance body	•	c
4.3 Number of independent members in the highest governance body	•	c
4.4 Co-determination right of employees and shareholders	•	SR pp. 27-28, c
4.5 Relationship between remuneration of executive board and the sustainability performance of the organisation	•	c
4.6 Mechanisms for avoiding conflicts of interest	•	SR pp. 9, 12-13, 27-28, internet
4.7 Qualification and expertise of the members of the highest governance body in economic, environmental and social matters	•	SR p. 9, internet
4.8 Values mission statements, codes of conduct and principles in relation to sustainability	•	SR pp. 6-7, 9-11
4.9 Procedures of the highest governance body for overseeing sustainability performance	•	NHB p. 9, internet, c
4.10 Evaluation of the performance of the highest governance body as regards sustainability	•	NHB p. 9, c
4.11 Use of the precautionary principle	•	SR pp. 2-3, 6-7, 9, 14-25, internet
4.12 Support for external economic, environmental and social activities	•	SR pp. 2-3, 6-7, 12-13, 37, internet
4.13 Membership of associations and advocacy groups	•	SR pp. 6-7, 12-13, internet
4.14 Stakeholder groups engaged	•	SR pp. 12-13
4.15 Basis for the identification and selection of stakeholders	•	SR pp. 12-13, internet
4.16 Approaches to stakeholder engagement	•	SR pp. 12-13, internet
4.17 Stakeholder topics	•	SR pp. 12-13, F&F p.13

Management approach and performance indicators	Degree of performance	References
<b>Economic</b>		
Management approach	•	SR front cover, pp. 2-9, F&F pp. 4-9, BR, internet
EC 1 Direct economic value generated and distributed	•	SR front cover, p.5, F&F pp. 4, 7-8, 38, 42
EC 2 Financial impacts of climate change	•	SR pp. 2-3, 9, c
EC3 Defined benefit plan obligations	•	SR pp. 29-30, F&F p. 7, internet
EC4 Financial assistance received from government	•	c
EC5 Ratio of standard entry level wage compared to local minimum wage	•	SR pp. 29-30
EC6 Business policy, practices and proportion of spending on local suppliers	•	SR pp. 10-11, F&F p. 11, c
EC7 Procedure of local hiring and local senior management	•	c
EC8 Impact of infrastructure investments and services	•	SR p. 37, F&F S.42, c
EC9 Indirect economic impacts	•	SR pp. 12-13, internet
<b>Environmental protection</b>		
Management approach	•	SR pp. 9, 17-25, F&F pp. 10-11, internet
EN1 Materials used by weight and volume	•	F&F pp. 18-20
EN2 Proportion of recycled materials	•	SR pp. 24-25, F&F p.19
EN3 Direct energy consumption	•	SR pp. 17-19, F&F pp. 21-22
EN4 Indirect energy consumption	•	SR pp. 17-19, F&F pp. 21-22
EN5 Energy savings	•	SR pp. 17-19, F&F pp. 21-22, internet
EN6 Energy-efficient products and services	•	SR pp. 15-16, 22-23, F&F pp. 14-15, internet
EN7 Initiatives to reduce indirect energy consumption	•	SR pp. 17-21, F&F p. 30, c
EN8 Water consumption	•	SR pp. 17-19, F&F pp. 26-27
EN9 Water sources affected by withdrawal of water	•	c
EN10 Water recycled and reused for domestic use	•	c
EN11 Production sites in protected areas	•	c
EN12 Significant impact of products and services on protected areas or areas of high biodiversity	•	c
EN13 Protected or restored habitats	•	c
EN14 Strategies and management of impact on biodiversity	•	c
EN15 Endangered species at places of business activity	•	c
EN16 Direct and indirect greenhouse gas emissions	•	SR pp. 17-19, F&F pp. 22-23, 30, c
EN17 Other relevant greenhouse gas emissions	•	SR pp. 20-21, F&F pp. 30-31, internet, c
EN18 Initiatives to reduce greenhouse gases and reductions achieved	•	SR pp. 17-19, F&F pp. 23, 31, internet
EN19 Emissions of ozone-depleting substances	•	c
EN20 NOx, SO <sub>2</sub> and other significant emissions	•	F&F p. 23
EN21 Total water discharge	•	SR pp. 17-19, F&F p. 27, internet
EN22 Quantity of waste by type and disposal method	•	SR pp. 17-19, F&F pp. 24-26
EN23 Significant spills of pollutants	•	c
EN24 Transported, imported, exported and treated hazardous waste	•	c
EN25 Areas impacted by the organisation's discharges of water and run off	•	c
EN26 Initiatives to mitigate environmental impact of products	•	SR pp. 15-25, F&F pp. 15-18, internet
EN27 Proportion of products for which packaging materials were returned	•	internet, c
EN28 Significant fines and non-monetary sanctions for non-compliance with environmental laws and regulations	•	c
EN29 Significant environmental impact of transporting products, materials and employees	•	SR pp. 20-21, F&F pp. 30-31, internet, c
EN30 Environmental protection expenditure and investments	•	SR pp. 17-19, F&F pp. 28-29
<b>Employees</b>		
Management approach	•	SR pp. 26-35, internet
LA1 Total workforce by employment type and region	•	SR pp. 5, 27-28, F&F pp. 32-33, 36

## GRI Index

Management approach and performance indicators	Degree of performance	References
LA2 Employee turnover	•	SR pp. 27-28, F&F p. 33
LA3 Benefits only provided to full-time employees	•	SR pp. 29-30, c
LA4 Proportion of employees covered by collective bargaining agreements	•	SR pp. 27-28, internet, c
LA5 Notice periods regarding significant operational changes	•	SR pp. 27-28, c
LA6 Proportion of workforce represented in health and safety committees	•	SR pp. 34-35, internet
LA7 Injuries, occupational diseases, absent rate and total work-related fatalities	•	SR pp. 34-35, F&F pp. 39-40, c
LA8 Preventative health care, counselling and training	•	F&F p. 41, c
LA9 Occupational safety agreements with trade unions	•	c
LA10 Training and further training initiatives	•	SR pp. 32-33, F&F p. 38
LA11 Knowledge management and lifelong learning	•	SR pp. 32-33, F&F p. 36, internet
LA12 Performance assessment and career development planning	•	SR pp. 32-33, internet
LA13 Diversity in senior management and employee structure	•	SR pp. 27-28, 32-33, F&F pp. 34, 38
LA14 Salary ratio of men and women	•	SR pp. 29-30
<b>Human rights</b>		
Management approach	•	SR pp. 9-11, internet
HR1 Human rights aspects in investment agreements	•	SR pp. 10-11
HR2 Screening of key suppliers for observance of human rights	•	SR pp. 10-11, F&F pp. 11-12
HR3 Employee training on human rights	•	c
HR4 Incidents of discrimination and actions taken	•	c
HR5 Business activities in which the right to exercise freedom of association and collective bargaining is at risk	•	SR pp. 10-11, 27-28, internet, c
HR6 Business activities carrying a risk of child labour	•	SR pp. 10-11, internet, c
HR7 Business activities carrying a risk of forced or compulsory labour	•	SR pp. 10-11, internet, c
HR8 Training of security personnel in aspects of human rights that are relevant to the business activity	•	c
HR9 Incidents of violations involving the rights of indigenous people	•	c
<b>Society</b>		
Management approach	•	SR pp. 9, 37, internet
SO1 Impact of business activity on communities or regions	•	SR p. 37, internet, c
SO2 Business units analysed for risks related to corruption	•	SR p. 9, internet, c
SO3 Employee training in relation to anti-corruption	•	SR p. 9, internet, c
SO4 Incidents of corruption and actions taken	•	c
SO5 Public policy positions and participation in public policy development and lobbying	•	SR pp. 12-13, internet, c
SO6 Financial and in-kind contributions to political parties and politicians	•	c
SO7 Number of legal actions for anti-competitive behaviour	•	c
SO8 Number of fines for non-compliance with laws and regulations	•	c
<b>Product responsibility</b>		
Management approach	•	SR pp. 14-25, internet
PR1 Life cycle stages assessed in relation to health and product safety	•	c
PR2 Incidents of non-compliance with regulations concerning health and product safety	•	c
PR3 Principles and measures related to product and service information and labelling	•	SR pp. 12-13, 15-16, 22-23, F&F pp. 14-15, internet
PR4 Incidents of non-compliance with regulations and voluntary codes concerning product information and labelling		c
PR5 Measurement of customer satisfaction	•	SR pp. 15-16, 22-23, internet
PR6 Adherence to laws, standards and voluntary codes related to marketing communications	•	c
PR7 Incidents of non-compliance with legal regulations and voluntary codes related to marketing communications	•	c
PR8 Number of substantiated data protection complaints	•	c
PR9 Significant fines for non-compliance of legal regulations concerning the purchase and use of products	•	c



Miele recognises the important role of stakeholders and the importance of including them, and is committed to sustainability. Against the backdrop of these principles, Miele is including all key indicators in its 2011 sustainability report. Additional indicators are used where these are of value as judged by the aforementioned principles. This GRI Index is only an abridged version. A complete, commented GRI Index can be found at [www.miele-sustainability.com](http://www.miele-sustainability.com)

Legende	
•	▶ Full clarification is provided for this indicator
Light grey	▶ Additional indicators
SR	▶ 2011 Sustainability Report
F&F	▶ Facts and figures for 2011
BR	▶ 2009/2010 Business Report
internet	▶ Links to <a href="http://www.miele-nachhaltigkeit.de">www.miele-nachhaltigkeit.de</a> and <a href="http://www.miele.de">www.miele.de</a>
c	▶ There is an annotation in relation to this indicator in the GRI Index, at <a href="http://www.miele-nachhaltigkeit.de">www.miele-nachhaltigkeit.de</a>

#### UN Global Compact Progress Report for Miele & Cie. KG

Principle		GRI (G3)	Link
<b>Human Rights</b>			
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	EC5, LA4, LA6-9, LA13-14, HR1-9, SO5, PR1-2, PR8	SR pp.10-11, 27-30, 32-35 F&F pp.11-12, 34, 38-41, c
Principle 2	Make sure that they are not complicit in human rights abuses	HR1-9, SO5	SR pp. 9-13, 27-28 F&F pp. 10-12, c
<b>Labour</b>			
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	LA4-5, HR1-3, HR5, SO5	DR pp. 10-13, 27-28 F&F pp. 11-12, c
Principle 4	The elimination of all forms of forced and compulsory labour	HR1-3, HR7, SO5	SR pp. 10-13 F&F pp. 11-12, c
Principle 5	The effective abolition of child labour	HR1-3, HR6, SO5	SR pp. 10-13 F&F pp. 11-12, c
Principle 6	The elimination of discrimination in respect of employment and occupation	EC7, LA2, LA13-14, HR1-4, SO5	SR pp. 27-30, 32-33 F&F pp. 33-34, 38, c
<b>Environment</b>			
Principle 7	Businesses should support a precautionary approach to environmental challenges	EC2, EN18, EN26, EN30, SO5	SR pp. 2-3, 9, 12-13, 15-25 F&F pp. 15-18, 23, 28-29, 31, c
Principle 8	Undertake initiatives to promote greater environmental responsibility	EN1-30, SO5, PR3-4	SR pp. 12-13, 15-25 F&F pp. 14-31, c
Principle 9	Encourage the development and diffusion of environmentally friendly technologies	EN2, EN5-7, EN10, EN18, EN26-27, EN30, SO5	SR pp. 12-13, 15-25 F&F pp. 14-23, 28-29, 31, c
<b>Anti-Corruption</b>			
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	SO2-6	SR pp. 9, 12-13, c

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