

# Responsibility for Generations

SUSTAINABILITY REPORT 2008



**Miele**

## Scope of the Report

In this, Miele & Cie. KG's fourth sustainability report, the company has set itself the target of producing a transparent report for its stakeholders, which details fields of activity and strategies in the relevant sectors of corporate social responsibility. This report demonstrates how seriously Miele takes this responsibility, as well as how sustainability is approached within the company as a whole. In addition, targets and challenges are described and progress made within the field of sustainability is reported.



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

### Improvements in the Sustainability Report

The 2008 Miele Sustainability Report is the first report that we have produced, which applies the guidelines of the Global Reporting Initiative (GRI G3). A detailed GRI Index can be found at [www.miele-sustainability.com](http://www.miele-sustainability.com). Additional information regarding all sectors can also be found here, as can a detailed collection of data and facts. The printed version of the report is a summary of the most important information. It should be used for orientation purposes, as well as to provide a basic level of information. Furthermore, the report is based on the results of an international stakeholder survey for the first time.

### Identifying the Report's Topics

Miele analysed the significance of various aspects to identify the most relevant report topics. These were largely derived from a survey of 32 relevant stakeholders, conducted between March and April 2008. The topics named by the stakeholders were then evaluated for their importance to Miele by the various departments.

### Spatial and Temporal Coordination

The period under review is the calendar years of 2006 and 2007. The main financial data relates to the 2006/2007 business year, which ended on 30.06.2007.

Unless otherwise stated, this report covers both domestic (within Germany) and international business locations.

The fourth sustainability report replaces the report from 2006. It is available in both the German and English languages. In accordance with the biennial cycle, the next Miele sustainability report will be published in 2010.



[www.miele-sustainability.com](http://www.miele-sustainability.com)



#### Notes about the Symbols



Link to Miele website



Link to external website



Throughout this report references are made to employees: these are to be understood to refer to both female and male employees.

## Miele – “Forever Better”

**Quality, Tradition and the Power to Innovate -  
These are the Values that Represent Miele.**

Since its foundation in 1899, the Miele Company has followed the motto „Forever Better“ – an ambitious, even provocative maxim. Behind this motto lies the demand that the company places on itself and its products: to always improve and to always be better than the rest. This basic principle is not just a phrase; it is an ideology that is realised on a daily basis by the senior management and staff at Miele.

Miele is a family-owned enterprise with over 16,000 employees, 10,000 of whom are based in Germany. The company also has subsidiaries in over 40 countries, and through its importers, is represented across the globe. Its legal status is a limited partnership, owned by the Miele and Zinkann families. The majority of the production takes place in the eight factories in Germany. The company also has one factory in Austria and one in the Czech Republic, as well as a joint venture in China.

Miele is a German brand with a reputation enjoyed by only a few international brands. The trust placed in the company is largely based on its excellent products. Miele manufactures premium household appliances and high-quality industrial equipment. All of the products have something in common: they feature top of the range technology, have long life spans and are of the highest quality. Miele products are claimed to be the best.



1899  
Miele & Cie.  
founded,  
production of  
cream separators



1900  
Development of butter  
machines and washing  
machines



1912 – 1914  
Construction of cars  
(125 vehicles)



1914  
First powered washing  
machine with integrated  
electric motor



1924 – 1960  
Production of  
bicycles and  
motorbikes



1927  
Construction of the first  
vacuum cleaner



1929  
Construction of the  
first electric dishwasher  
in Europe



1956  
First automatic  
washing machine



> Miele is the only global premium brand for domestic appliances that is represented on all five continents. <

#### Domestic Appliances:

- Washing machines (front and toploaders)
- Washer-dryers
- Tumble dryers
- Rotary ironers
- Built-in ovens and wall ovens
- Hobs
- Cooker hoods
- Steam cookers
- Built-in coffee makers\*
- Microwaves\*
- Plate warmers
- Dishwashers
- Refrigeration devices\*
- Wine storage and conditioning units\*
- Vacuum cleaners

#### Commercial products:

- Washing machines
- Tumble dryers
- Flatwork ironers
- Washer-disinfectors and industrial cleaners
- Laboratory cleaners
- Commercial dishwashers



[www.miele-professional.com/  
info/professional.html](http://www.miele-professional.com/info/professional.html)

*\* These devices are not produced by Miele; rather they are manufactured on the company's behalf in accordance with Miele standards.*



**1958**  
First domestic  
dryer



**1978**  
First washing machine, dryer and  
dishwasher to be controlled by a  
microcomputer



**1997**  
First message receiver  
for Miele household  
appliances



**2001**  
Introduction of  
the patented  
honeycomb drum



**2005**  
Introduction of  
touch-control  
operation



**2007**  
Miele produces  
its 20-millionth  
washing machine



**2008**  
Introduction of the Genera-  
tion 5000 range of built-in  
appliances



Sylvia Wölms and Meinolf Schomäcker are a team of skilled advisors. In the central office in Gütersloh, they provide customers and employees with information and advice on Miele products.



[www.miele-sustainability.com](http://www.miele-sustainability.com) ► Facts & Figures  
► GRI-Index

## Scope of the Report Company Profile

### Philosophy & Strategy

#### 02 Persuasion

##### Quality brings Success

- 04 Foreword by Miele Senior Management
- 06 Company Philosophy
- 08 The 2006/2007 Financial Year

### Sustainability Management

#### 10 Synergies

##### The integrated Miele Management System

- 12 Organisation and Implementation

### Product Responsibility

#### 14 Power of Innovation

##### Ideas for Mankind and the Environment

- 16 Product Design
- 19 Productions and Logistics
- 22 Usage Phase
- 23 Disposal

### Employees

#### 24 Trust

##### Assist and Challenge Employees

- 26 Miele employees
- 28 Working for Miele
- 30 Further Education and Life-Long Learning
- 32 Health and Safety at Work
- 34 Benefits for Employees
- 35 Employee Participation

### Society

#### 36 Dialogue

##### Active for the Society

- 38 Dialogue with Society
- 39 Commitment to the Region

### Glossary

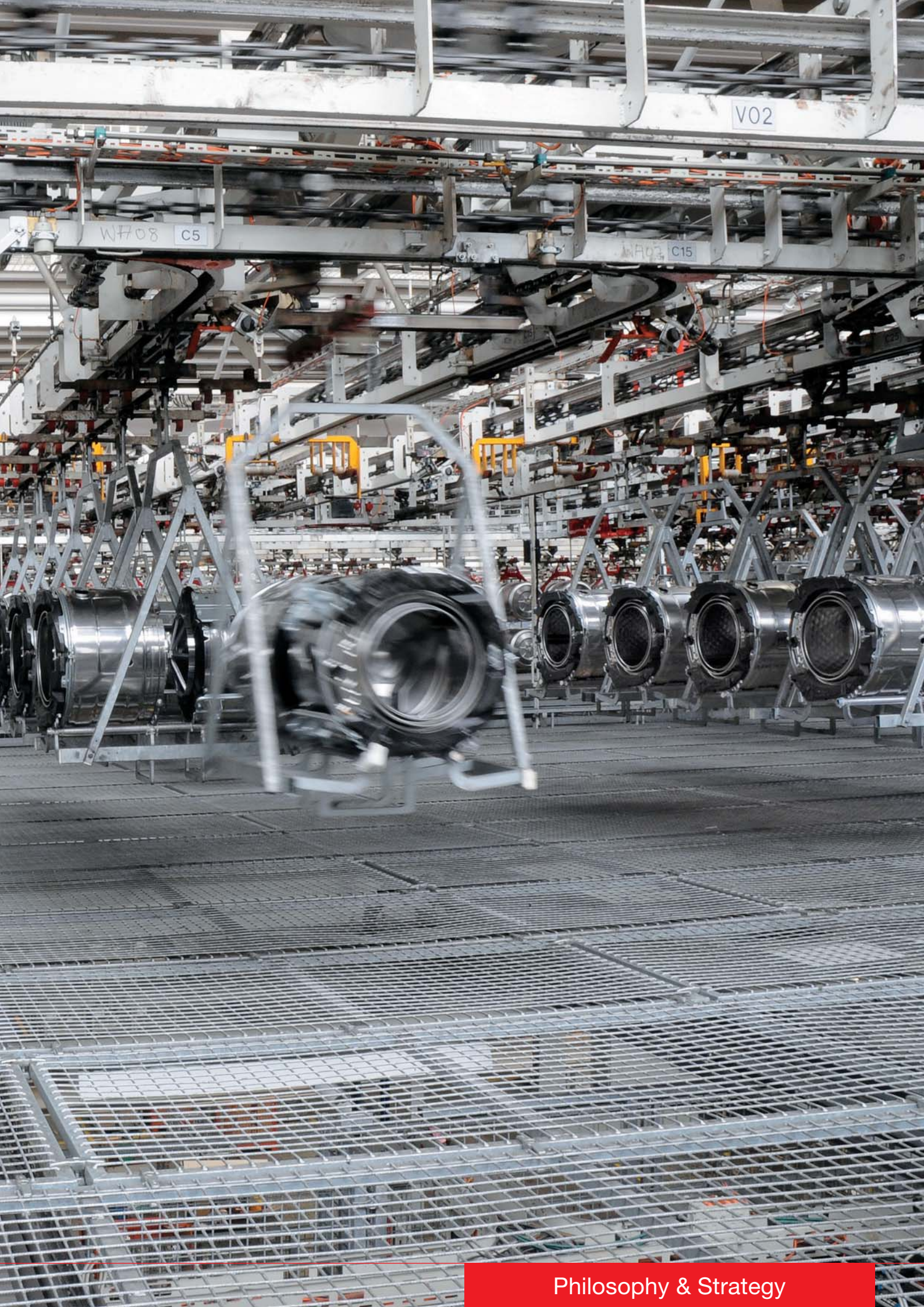




# Persuasion

QUALITY BRINGS SUCCESS







## Foreword by the Miele Senior Management

Dear Reader,

You have in your hands the 4th sustainability report by the Miele Company. It is the first report that we have produced, which has been modelled on the guidelines of the Global Reporting Initiative (GRI), and the first that includes a survey of international stakeholders. Both of these aspects have had the aim of further improving the sustainability report: by responding to the interests of the stakeholders, and by demonstrating how Miele “lives” the principle of sustainability in a transparent manner.



Dr. Markus Miele,  
member of the board of senior management at Miele

We have named our new sustainability report “Responsibility for Generations” and we believe that this title epitomises what the management of Miele has represented since it was founded back in 1899. Miele has been manufacturing equipment for domestic and commercial use for generations and all of these products have been created with quality, long life and the conservation of natural resources in mind. We are taking responsibility for the generations that use our products – both today and in the future.

Sustainability is not just a trend to be incorporated, rather, at Miele it is and always has been a core understanding in every part of the business. Paying workers what they deserve and treating them with integrity has always been a matter of course for the senior management at the company. The fact that our products are always some of the safest around, forms the basis of our principle of “Forever Better”. Furthermore, we regard it as our duty to ensure that our products do not damage the environment and that our devices help to conserve resources when in use. And the fact that our company, as both an employer and a manufacturer, has a responsibility to society is anchored into our mindset.



Dr. Reinhard Zinkann,  
member of the board of senior management at Miele

In order to highlight this publicly, Miele has been a member of the UN Global Compact since 2004. We embrace the principles regarding human rights, working standards, environmental protection and anti-corruption. This report details how we adhere to these principles, both at Miele and with our relationship to our suppliers.





Horst Schübel, responsible for Finances,  
Controlling and Administration as board member

Climate change and the forecasted lack of resources are two of the greatest challenges facing mankind and we are confronting these topics in our search for new materials and technology. One example is the tumble dryer that Miele is currently introducing: it features heat pump technology and sets new standards with regards to saving energy – right at the time when energy prices are increasing.



Dr. Reto Bazzi, Miele board member  
responsible for Sales and Marketing

Demographic change is a further challenge that we are confronting. We are doing this both by creating user-friendly products, which can be used by all generations, and by encouraging women to embark upon technical

careers to obviate the skills shortage.

In order to help combat these challenges, during the period under review we have invested over 177 million euros in new equipment and production methods, to ensure that they fulfill the latest environmental protection standards. Over the next five years we plan to expand our manufacture of electronics at the Gütersloh plant. 22.5 million euros has been invested. We aim to further develop our expertise in the production of electronics and thus to increase our ability to innovate and to continue to develop improved products. This will help us to gain and maintain customers and to remain a commercial success.



Dr. Eduard Sailer, senior manager  
responsible for technology

Miele's philosophy of sustainability has seen the company reach a high standing and gain a good reputation and we are proud of this achievement. But we do not want to rest on our laurels; rather we want to use this as an incentive to continue to be "Forever Better".

**We wish you an inspiring read!**

## Company Philosophy



A look into a commercial washer



Dishwashers in times gone by

At Miele company responsibility is more than just a trendy slogan. It has been the maxim of senior management since the company was first founded and remains so to this day. Miele has a responsibility to its customers, its staff, to society and to the environment, as well as to subsequent generations. As a commercial enterprise, Miele has a duty to grow and be successful on an economic level. That is sustainability; that is Miele.

Company responsibility and sustainable business have been a key part of the company philosophy since the word go and have been formulated in eight principles.

The first principle demonstrates its importance for Miele:

*"Our aim is to produce and market durable products of the highest quality using procedures that are both economically and ecologically sound. The products should not only offer a high level of performance, efficiency and safety, but they should also have as little impact on the environment as possible, throughout their whole lifespan."*

As well as abiding by its own principles, Miele is obligated to abide by and apply international guidelines: Miele has been a member of Global Compact – a United Nations initiative – since 2004. Miele acknowledges the minimum social, ecological and economical standards, which – as formulated in ten principles – have been a key part of Miele's company policy since the company was founded.

The CECED Code of Conduct has similar targets. In 2005, Miele's senior management signed the code of conduct of the European umbrella organisation for the household appliance industry. This created a non-binding code that largely conforms to the

### Milestones & Timeline

1996

The Miele Group releases its first Environmental Report



2004

Company-wide obligation to adhere to the SA8000 Social Standard and entry to the UN Global Compact



2005

Obligation to adhere to the CECED Code of Conduct

2008

Publication of the 4<sup>th</sup> Sustainability Report, the first to be modelled on the GRI G3 guidelines, in print and online



Global Compact and the requirements of the SA8000 standard. Key issues include fair working conditions and protecting the environment. The code of conduct was adopted by the Miele management system and communicated throughout the company. Miele, along with the other companies taking part, provides regular reports detailing how the code is being applied.

### Company Strategy

The international guidelines, together with the company philosophy and its eight principles, form the company's strategy and its sustainability management, which is integrated into this.

As far as Miele is concerned, only one thing can stand in the centre of a domestic appliance manufacturer's strategy considerations: people; those that buy the products and that use them in their private spheres. Everything centres on the needs of the customer, and this includes both economic and ecological aspects. The company's main task is to produce high quality, durable and environmentally friendly domestic appliances and to act in a socially responsible manner.

### Challenges and Targets

The largest challenge is to sustain economic success and to maintain financial independence. Miele has the enviable position of being free of external finance. Here, growth has always come from within and has been financed by the company's own means. The important – if not the key – issues of the present and the future are climate protection and the conservation of resources. Keeping within the tradition of the company motto "Forever Better", Miele will continue to do everything in its power to produce the best appliances whilst having as little impact on the environment as possible. This has long been a focal point within the development and production stages of an appliance. In the future, environmental protection will also play an increased role in the marketing and communication departments.



[www.miele-sustainability.com](http://www.miele-sustainability.com) » Philosophy & Strategy  
» Company Philosophy » Company Principles

[www.miele-sustainability.com](http://www.miele-sustainability.com) » Philosophy & Strategy  
» Company Philosophy » Milestones

"A clear commitment to company responsibility is evident at Miele – issues of sustainability are given top priority."

**Dr. Oliver Blank**, CEO,  
German Electrical and  
Electronic Manufacturers'  
Association (ZVEI)



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

[www.ceced.org](http://www.ceced.org)

2008

Formulation of a companywide code of conduct for fighting corruption

2008

Miele & Cie. KG recertified in accordance with ISO 9001 and ISO 14001

2008

Locations in Germany, Austria and the Czech Republic certified in accordance with SA8000

2009

Hong Da location certified in accordance with ISO 9001

2010

Miele & Cie. KG recertified in accordance with DIN EN ISO 13485

## The 2006/2007 Financial Year



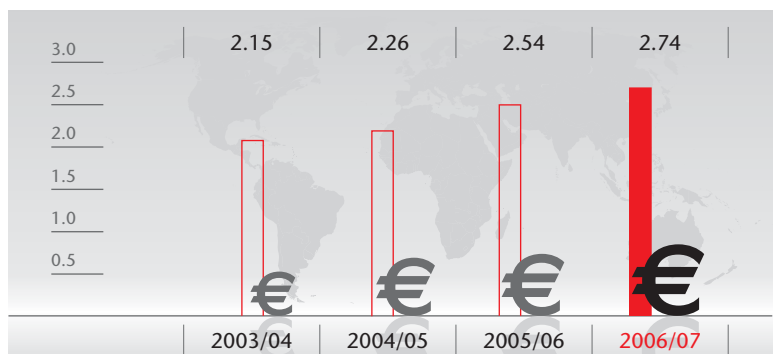
Main entrance at Gütersloh

Miele's company motto is "Forever Better". It is an ambitious concept that provides constant stimulation. The figures from the period under review vouch for the success of this philosophy. In 2007, for the third year in a row, Miele achieved record figures.

During the 2006/2007 financial year, Miele Group's turnover increased by just under eight percent to 2.74 billion euros, the highest rate of turnover in the company's history.

### Miele Group turnover in billion euros

In the 2006/2007 business year, the turnover of the Miele Group increased by approximately 8 % to 2.74 billion euros, the highest increase in profits in the company history. The turnover of the Miele-subsidaries abroad increased by about 10 % to 1.95 billion euros, in Germany by 2.5%.



With regards to unit production, the company has also clearly exceeded the previous year's sales figures in all divisions of domestic appliances. The various new types of appliances and numerous product improvements have allowed Miele to sell over three million large appliances for the first time. This represents an increase of at least ten percent. The new laundry care lines were so successful that Miele was able to sell over 890,000 Miele washing machines and around 385,000 tumble dryers. Record sales were also reached for dishwashers, with almost 600,000 appliances sold.

### Miele Abroad

Meanwhile, the Miele subsidiaries recorded an above-average development abroad. There the turnover increased by a good ten percent to 1.95 billion euros; in Germany it increased by 2.5 %. The level of Miele Group turnover recorded abroad increased to 72 %. This success can be traced to the company and sales strategies, which have both been geared towards growth.



The largest percentage increase in turnover for Miele was recorded in Russia and the CIS states, as well as in the whole of Eastern Europe; from the Czech Republic to Hungary and Poland. The demand for Miele appliances continues to grow in the Eastern European markets and overseas. Miele is specifically targeting these markets and at the same time the purchasing power is increasing there, as proven by the sales figures from the last few years.

During the 2006/2007 financial year, Miele has invested exactly 177 million euros, just under 31 % more than in the previous year; more than 108 million of which has been invested in Germany.

### Challenges and Targets

Miele's global position as a premium brand is receiving more and more acknowledgement. The company invests in new markets and promotes the development of subsidiaries. Additional locations will be added in 2008. Eastern Europe, Asia, and also Latin and South America, are key markets. The new branch in Chile set the ball rolling here in 2007.

The business strategy focusing on expansion is one of three columns on which Miele is building. The other two are marketing concepts and innovative product developments, which are tailored for the individual markets and always based on the customers and their national habits. The company is convinced that this strategy will continue to be successful and predicts that a

record turnover will be achieved in 2008. A healthy growth and ensuring the financial independence of the business are the conditions Miele sets for further investment. Over the next few years, over 53 million euros will be pumped into modernising the production plant in Gütersloh alone. This investment will strengthen Miele's competitiveness and form the basis for further economic success as a producer of top-quality products.



[www.miele-sustainability.com](http://www.miele-sustainability.com) » Philosophy & Strategy  
» The 2006/2007 Financial Year » Awards

### Awards 2006/2007

Miele is a company and a brand that has a great deal of confidence placed in its products. And so 2007 was a year in which the Miele company brand was awarded with three honours: "best brand", "Superbrand" and "Most Trusted Brand".



**best brands:**  
[www.bestbrands.de](http://www.bestbrands.de)



**Superbrands:**  
[www.superbrands.com](http://www.superbrands.com)



**Most Trusted Brand:**  
[www.rdrtrustedbrands.com](http://www.rdrtrustedbrands.com)

Liquidwash

Miele







# Synergies

THE INTEGRATED  
MIELE MANAGEMENT SYSTEM

## Organisation and Implementation

Since 1992, the implementation of company principles has been ensured by an effective management system that has been integrated into all sectors of the company. All of the relevant topics are gathered and managed systematically across all locations.

- Quality management for medical products (DIN EN ISO 13485)
- Social standards (SA8000)
- Environmental management (DIN EN ISO 14001)

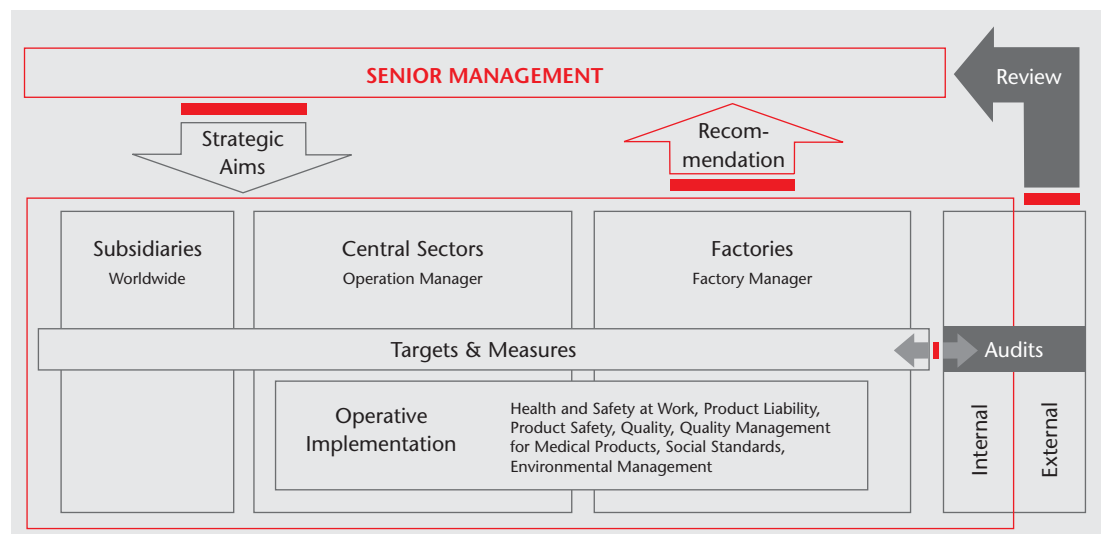
A comprehensive and continuous improvement process is a key part of this management system. This is defined in the sixth principle of the company's philosophy. The management system also guarantees that Miele complies with all relevant laws and standards. The following topics and standards are covered:

- Health and safety at work (in accordance with OHSAS 18001)
- Product liability
- Product safety
- Quality (DIN EN ISO 9001)

The Miele management system is far more than just a system of rules; it is an attitude to work that is lived throughout the company on a day-to-day basis. The improvement process is ubiquitous: it is applied and strived towards on a constant basis. When communicating with suppliers, trade partners, service providers and authorities, value is placed on recognising potential for improvement and receiving suggestions.

The basic targets are revised by senior management annually and are reformulated where required. The works managers and heads of department are responsible

### The Miele Management System



for applying and adhering to guidelines. They appoint trained delegates for the various areas of the management system and provide regular reports on improvements made. Processes are monitored by 22 internal auditors, meaning that variances can be identified early and can be addressed with appropriate measures. In addition, an external audit takes place at all German-speaking locations, as well as in Uničov, as part of a matrix certification. A central review by senior management takes place on an annual basis, to evaluate the management system as a whole.

In principle, the Miele management system is applied at all locations. All factory locations have been certified in accordance with ISO 9001, ISO 14001 and SA8000\* (not including China). The relevant systems are currently being established in the factories in Hong Da/China. Those responsible for implementing the Miele management system have completed training sessions, e.g. on “Product Safety Standards in China and International Requirements” and on “Law, Auditing and Delivery Chain Management”.

Since 2004, all active suppliers have been checked on a continuous basis to ensure that they adhere to SA8000. The suppliers are monitored using checklists and visits from representatives of the purchasing department.

### Improvements

In autumn 2007, work began on the formulation of a compliance guideline, which

was then introduced as a binding code of conduct throughout the whole company in August. All of the guidelines guarding against bribery and corruption concerning gifts, travel and hospitality, conflicts of interest, donations and sponsoring, consultancy contracts and secondary employment were summarised. Current obligations formed the basis of the code, including the company philosophy, the ethical purchasing guidelines, the principles of the Global Compact, the SA8000 social standard and the CECED Code of Conduct.

### Challenges and Targets

Since September 2007 a quality core process model has been implemented at Miele and the optimisation of the internal process audit is a key target of this for 2008. The next recertification and auditing of the management system is due to take place at the end of 2008.

Certification in accordance with ISO 9001 is also due for the Chinese joint venture in 2009. The introduction and implementation of the SA8000 social standard and the ISO 14001 environment management standard is also due to take place there over the next five years.

\* Uničov and Bürmoos will probably be certified in April 2009 in accordance with SA8000.



[www.miele-sustainability.com](http://www.miele-sustainability.com) ► Sustainability Management ► Miele Management System

[www.miele-sustainability.com](http://www.miele-sustainability.com) ► Philosophy & Strategy ► Company Philosophy ► Company Principles

“Miele is a proactive trading company. This is particularly evident in the implementation of the SA8000 social standard, which also plays a key role in the selection of suppliers.”

*Dr. Günther R. Reinelt,  
Head of Central Purchasing,  
Miele & Cie. KG*



[www.sa-intl.org](http://www.sa-intl.org)









# Power of Innovation

IDEAS FOR MANKIND AND THE ENVIRONMENT



## Product Design



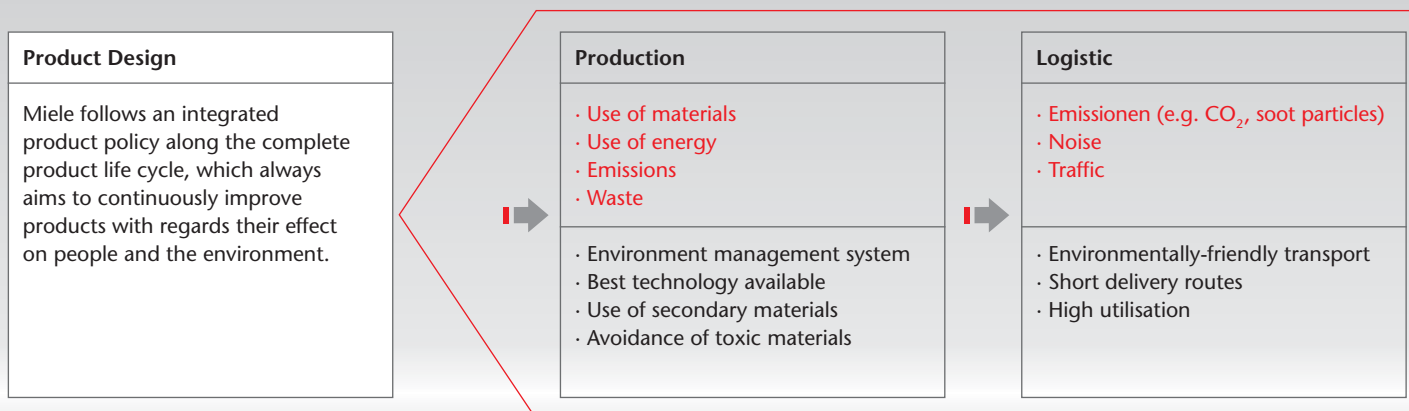
The new computer system, CAVE, improves the design phase by providing a virtual presentation of the planned products

Miele appliances are not only characterised by their durability, constant innovations and unique design; rather they are also very user-friendly, have a high energy efficiency and are very good in terms of their capacity to be recycled. Product Design has the task of applying these high criteria on a day-to-day basis.

In order to meet these requirements when developing new appliances and technologies, Miele takes an approach that covers the entire product life cycle: the constant optimisation of appliances, as well as both consumer benefit and environmental protection. The design stage is the most important one. Here the foundations are laid: the use of toxic materials in production is avoided; it is ensured that the appliances help to conserve natural resources when in use; and the recycling potential of the materials used is considered.

Lots of different departments work closely together during product design: Marketing and Market Research investigate opportunities for new products and their potential for improvement. Construction/Development contributes its knowledge to the development of ideas. The Design team applies the requirements and comes up with innovations that will then be tested in the applica-

Miele's measures to reduce environmental effects along the product life cycle of a domestic appliance



The insights resulting out of the 4 phases is incorporated in the product design.



tion laboratory. This whole process is monitored by experts in Quality Management and the Environment Office to ensure that departmental standards and legal specifications are adhered to, and also to provide expert knowledge. And so, environmental concerns are systematically integrated into the product design phase using checklists and specification sheets.

Miele has been using scenario technology since 2006. This helps to identify risks and opportunities early on in the development phase and allows research and development strategies to be applied. Taking laundry care products as an example, possible scenarios for the year 2020 are systematically gathered and strategies are developed and measures decided upon. At the same time, a constant monitoring system for strategic early diagnosis has been created and integrated into the standardised innovation management process.

### Achievements

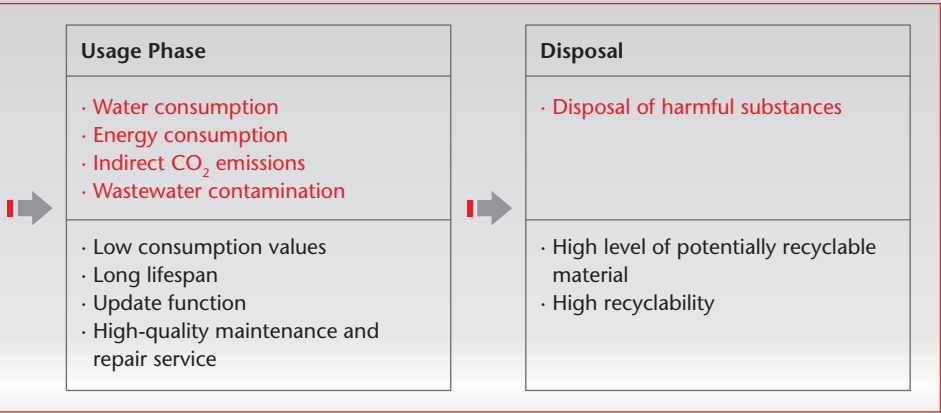
Miele has been optimising the complete concept of product responsibility on a continuous basis since the company's inception. The result: Miele's appliances last longer than the rest. Miele tests its appliances to ensure that they have a lifespan of 20 years and is the only company to do this.

The consumption values of household appliances have been continually reduced, whilst their performance and convenience has been increased. In the case of domestic washing machines, the water consumption has been reduced by 42.4 % since 1990, whilst the electricity consumption has been reduced by 29.2 %. All Miele washing machines and dishwashers across the globe have the energy-efficiency category A. Over 95 % of refrigeration devices are classified with A, A+ or A++. Miele has thus been fulfilling the EU "Eco Design Requirements for EUP" directive, which regulates the in-

Each year more than seven percent of the annual turnover – 150 million euros in 2007 – is invested in research and development.

"The development of appliances with innovative technologies, low proneness to defects, long life cycles and maximum economic potential are the key issues of sustainability that a manufacturer of household appliances must consider. Miele has been meeting these demands for years and is a market leader in many of these aspects."

*Elke Wieczorek, Vice-President of the German Federation for Housewives*



Environmental effects

Measures taken by Miele



tegration of environmental aspects into the design of energy-driven products, for years. The avoidance strategy concerning toxic materials obviates environmental problems before relevant laws are brought into effect. Many toxic substances have never been used by Miele, or have been replaced years before they were banned. In cooperation with suppliers, Miele has ensured that all products brought into the market since 1st July 2006 have been in accordance with the specifications of the EU RoHS directive.

The materials used are generally recognised as safe for later re-use. Miele manufactures approximately 70 % of all plastic parts itself. They are mainly made from materials generally considered as physiologically safe, like acrylnitrile-butadiene-styrene, polyethylene or polypropylene. The high levels of metal used – e.g. over 85 % in washing machines – is a guarantee for a conservation of natural resources, as metals have excellent recycling properties.

### Awards

#### Stiftung Warentest

In 2007, the German product test foundation awarded six Miele appliances as the “Best Appliance in the Test”. International product tests also confirm this.

#### EcoTopTen

In its consumer information campaign “Eco Top Ten”, released in 2006, the independent Öko-Institut e.V. quoted Miele appliances as being particularly economical and environmentally-friendly.

### Challenges and Targets

Miele is constantly required to recognise ecological and societal trends early on and to treat them accordingly so that it can remain the leading premium manufacturer of domestic appliances.

In view of the ever-increasing lack of resources, Miele is striving to create further energy savings in its appliances. One target is to reduce the electricity consumption of washing machines to under 0.17 kWh/kg dry laundry by 2009. Tumble dryers with heat pump technology are about to be launched. Alongside the reduction of noise emissions, Miele is also trying to achieve an even more efficient usage of detergents in washing machines and dishwashers.

Furthermore, future changes to consumer's needs, e.g. through the ageing of society, will mean that new paths will have to be trodden in product design. Miele is already working in line with the concept of “Universal Design” today. This includes automatic functions that can be used by inexperienced users or people with handicaps, as well as sensor-managed programmes that, in the case of dishwashers for example, automatically recognise the dishes' level of soiling and treats them accordingly.



[www.ecotopten.de](http://www.ecotopten.de)

[www.test.de](http://www.test.de)



[www.miele-sustainability.com](http://www.miele-sustainability.com) » Product Responsibility

» Product Design » Test Results

[www.miele-sustainability.com](http://www.miele-sustainability.com) » Facts & Figures

## Production and Logistics

Environmental management, based on the ISO 14001 standard, is part of the integrated Miele management system. The works managers are responsible for this in the production phase. Adhering to valid standards like RoHS and, more recently, implementing REACH, are self-evident.

### Environmental Protection in Production

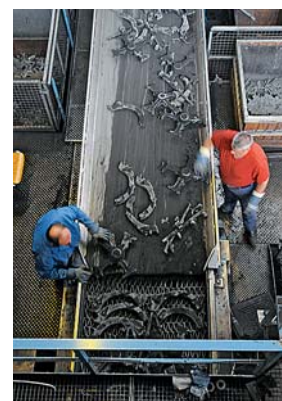
Miele is very conscious of the environmental effects of its production of domestic appliances. With a level of vertical integration of almost 50%, which is unusually high for the sector, the company takes on a large responsibility.

The company's own desire to continue to improve the company's environmental protection is particularly obvious in this phase of the product life cycle: Right from the word go, the planning of equipment and processes is based on avoidance, reduction and recycling. Environmental equipment and processes have been developed by Miele and continue to be optimised. Key pre-requisites include using the best technology available and monitoring and controlling the environmental effect using environmental figures. These allow senior management to set targets and to plan necessary investments for particular measures to be implemented.

Training programmes teach employees about environmental protection and, as part of the company suggestion plan, staff are encouraged to make suggestions for environmental improvements.



Electric melting furnace in the foundry



Castings

Miele places the highest priority on environmental protection in production and sales across the company. An effective environmental management system ensures that resources are handled carefully, and energy, emissions and waste are all reduced. In order to achieve a positive environmental balance, the Production, Product Packaging and Transport and Logistic sectors are all integrated into this system.

Miele demands that its suppliers use environmentally-friendly technology and substitutes, and asks that the parts can be recycled in an environmentally-friendly way. This is confirmed with all suppliers through the use of checklists. Pre-requisites for this are an established quality management in accordance with ISO 9000 ff. and an environmentally-friendly approach in accordance with ISO 14001.

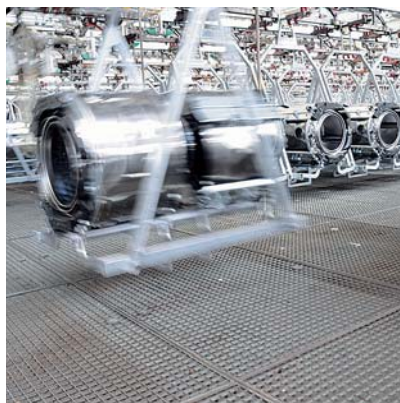
The equipment, including technical equipment, and processes used in Miele factories are optimised for their energy-efficiency. In 2007, the energy consumption was reduced by 7.7% in comparison with the previous

In the 2006/2007 financial year, the money spent on protecting the environment rose by 1.64% to 6,891,389 € in all factories (except Hong Da).





Assembly staff at work



Stainless steel suds container



Final assembly of washing machines

year, despite a production increase of 5.5 %. The introduction of temperature controls in buildings meant that the heating costs were reduced. Between 2006 and 2007, the proportion of district heating from a CHP generation plant was increased to 75 % in the Gütersloh factory. This meant that factory energy production was reduced from 42 MW to under 15 MW. Regarding reducing emissions during the production phase, Miele uses the latest technology, equipment and filter technology, for example in the CO<sub>2</sub>-emission-free electric melting furnaces in the foundry.

Miele's waste water management is based on a consistent avoidance strategy through the circulation of operating supplies. Waste water treatment equipment ensures that fixed limits regarding the indirect flow of waste water into the municipal drain system are adhered to. Regular measurements are taken and documented.

### Environmental Protection in Product Packaging

Miele uses as little packaging as possible. The materials are ideal for recycling and are often recycled themselves. Miele uses mainly corrugated cardboard made from almost 100 % secondary materials; untreated wood; polyethylene foil and as little expanded polystyrene as possible. The application of the latest packaging technology means that, since 1996, despite an 87 % increase in production, Miele has managed to limit the increase in product packaging to just 6.5 %.



[www.miele-sustainability.com](http://www.miele-sustainability.com) » Product Responsibility  
» Production & Logistics » Environment Management

[www.miele-sustainability.com](http://www.miele-sustainability.com) » Product Responsibility  
» Production & Logistics » Energy-saving Measures

[www.miele-sustainability.com](http://www.miele-sustainability.com) » Product Responsibility  
» Production & Logistics » Emissions



On the move in a high-bay warehouse



Daily despatch of 1,000 tonnes

### Environmental Protection in Transport and Logistics

Miele uses environmentally-friendly and economic means of transport and avoids ineffective movement. This means that the routes from the German factories to the central warehouse in Gütersloh are short – a massive logistical advantage that ensures lower costs and less damage to the environment. Goods are stored, prepared and despatched at Gütersloh. Some Miele domestic appliances destined to be exported overseas are transported from Minden by boat, train or lorry to the ports of Hamburg and Bremerhaven. Around 50 % of the export containers follow this concept. The proportion of Miele products transported by rail is approximately 10 %.

In 2007 the number of Euro 4-classified vehicles in Miele's fleet increased from 48.4 % to 69 % and the number of light-duty commercial vehicles increased from 8.1 % to 27.1 %.

Miele vehicle fleet with emission standards in %\*

#### Cars

|              | 2006         | 2007         |
|--------------|--------------|--------------|
| EURO 1       | 1.1          | 0.6          |
| EURO 2       | 3.6          | 2.3          |
| EURO 3       | 46.9         | 28.1         |
| EURO 4       | 48.4         | 69.0         |
| <b>Total</b> | <b>100.0</b> | <b>100.0</b> |

#### Light-duty commercial vehicles

|              | 2006         | 2007         |
|--------------|--------------|--------------|
| EURO 0       | 0.9          | 0.5          |
| EURO 1       | 5.4          | 2.7          |
| EURO 2       | 3.3          | 2.9          |
| EURO 3       | 82.3         | 66.9         |
| EURO 4       | 8.1          | 27.1         |
| <b>Total</b> | <b>100.0</b> | <b>100.0</b> |

\*Rounded numbers

**i** Further information regarding targets can be found in the facts and figures section.

## Usage Phase



Operational concepts that connect generations

The usage phase of domestic appliances accounts for around 90 % of the total energy expenditure during the product life cycle. This is the challenge that Miele faces and the answer is to continuously seek to optimise the energy-efficiency of appliances. Furthermore, Miele offers its customers optimised functions and services, which are in line with customers' requirements and gentle on the environment throughout the appliance's 20-year life cycle.

Miele allows its customers to influence their levels of consumption: the Energy Saving programme, for example, allows customers to wash and rinse in keeping with requirements. In the case of ovens and wall ovens, automatic programmes and functions such as residual heat utilisation help to limit energy consumption. The AllWater washing machine offers savings potential through the use of non-mains and hot water. The AllWater's hot-water operation allows for energy savings of up to 43 % – recently confirmed by the Ecological Institute in Freiburg. All dishwashers have also been made suitable for connection to a hot-water supply many years now.

In order to keep domestic appliances up-to-date with the latest needs, Miele has been offering the Update Function to update programmes since 1995. These ecological methods mean that the constant need to replace household devices becomes a thing of the past. Moreover, the well-developed customer service guarantees wide-ranging support and has replacement parts for up to 15 years after the product has been taken off the production lines.

Since 2004 Miele has offered domestic appliances that can be networked and controlled by using Powerline technology. A more recent development is that Miele domestic appliances can now be connected to other bus systems in a house via a gateway. The networked household gives the customer more convenience, additional security and a wide-range of services. The Miele@home system is of particular advantage for less-able pensioners or people with disabilities.

### Challenges and Targets

By connecting appliances to complex house bus systems, Miele has created several advantages for the consumer. The networking means that Miele appliances can be shown on displays and controlled from there. This system allows for the implementation of innovative energy management scenarios, which can even be combined with other devices in the house, for example with the heating or lighting systems.



## Disposal

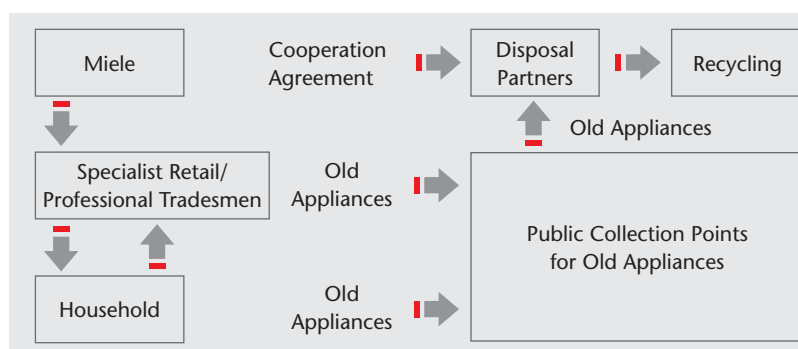
Miele domestic washing machines are 85 % metal; with commercial machines this figure is almost 90 %. This high proportion of metal and other recyclable materials makes a large contribution to efficient recycling. In order to improve manual disassembly, Miele has reduced the types of materials and number of different screws used and labelled the plastic parts in accordance with the international standard DIN ISO 11469.

With regards to older appliances, in 29 European countries Miele has either set up its own return and recycle system or participates in collective systems. The aim is to be able to recycle old appliances in an ecologically-friendly and economically-viable way, either by returning the materials to the business cycle or by using an alternative recycling procedure. Miele played a decisive role in setting up the systems required for the implementation of the EC WEEE directive (Reduction of Waste Electronic and Electrical Equipment). Furthermore, Miele is active in diverse study groups, which deal with the topic of waste and disposal, both at a national and at an EU-level.

Miele is active in all EU member states and in other countries with regards comprehensive return systems for recyclable product packaging. The disposal systems in place in each of the countries ensure that the materials used for transportation and packaging are returned to the business cycle.

With the securing of environmentally-friendly disposal, Miele completes the product life cycle of its appliances: Miele has incorporated the experiences of the waste disposal industry in recycling procedures into the Product Design stage and, in cooperation with disposal partners, is actively promoting the optimisation of recycling procedures.

### The Miele Return and Recycling System for Used Electrical Domestic Appliances



### Challenges and Targets

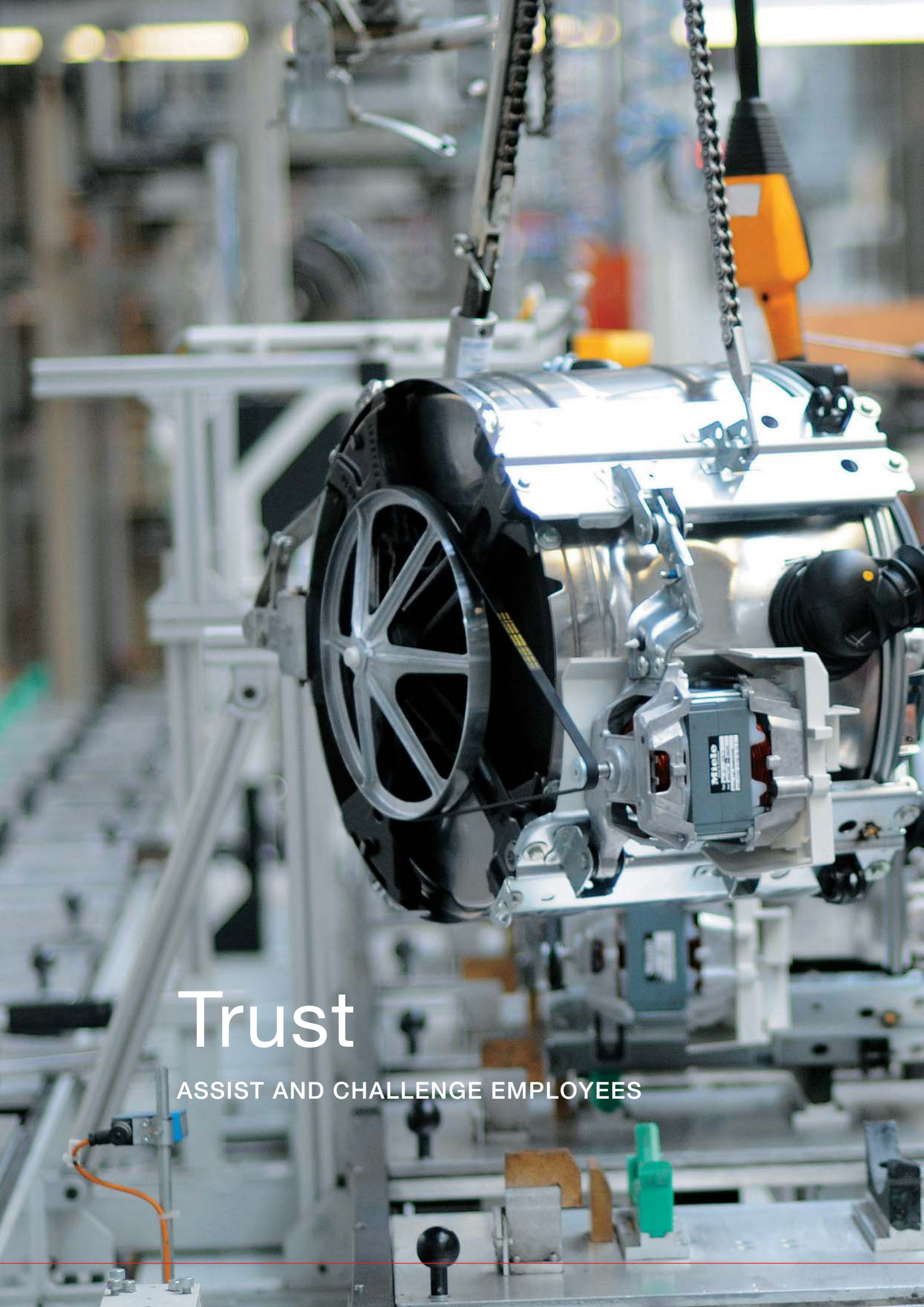
The recycling of disused refrigeration appliances is of particular importance. At least 90 % of HCFC still present in old cooling devices is to be retrieved and disposed of in an environmentally-friendly way. For this reason, Miele has specified treatment and recycling goals for its disposal partners. In the future, Miele will continue to place a high priority on recycling, at least until alternative methods come into being.

Between 2005 and 2007, the number of different screws used in washing machines and dryers was reduced by around 27 %.



[www.miele-sustainability.com](http://www.miele-sustainability.com) » Product Responsibility  
» Disposal » Materials in a Washing Machine

[www.miele-sustainability.com](http://www.miele-sustainability.com) » Product Responsibility  
» Disposal » Disposal Systems



# Trust

ASSIST AND CHALLENGE EMPLOYEES





Employees



## The Miele employees

Developing high quality and innovative products is not an automatic process: It is those people who have absorbed the Miele philosophy of quality and who spend each day at their work place who are responsible for this. Without their dedication and their creativity the company would not be a success, in fact, it would not exist at all.

The company's founders and their successors have always valued this contribution. As a family enterprise, Miele is as duty-bound to its staff as it is to its customers and to the general public. In order to fulfil its responsibility to its employees, extensive social services have been established for the staff and these will be described on the following pages.

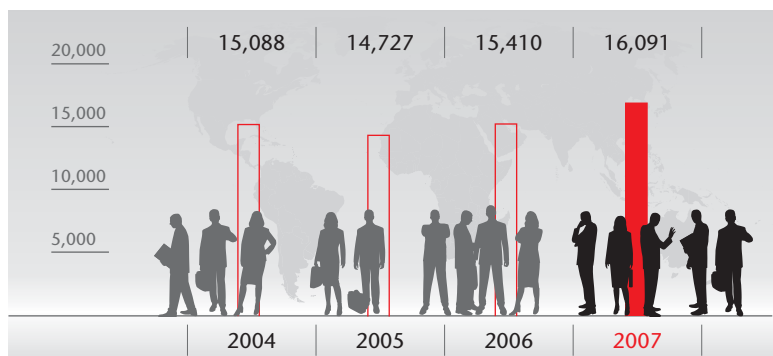
A flat organisational structure across all departments means that employees have the chance to develop their skills, whilst short paths for decision-making give the individual the opportunity to experience a great deal of responsibility, individuality and flexibility.

Miele employees are used to communicating with one another and the company spirit has always fostered interpersonal communication. This contributes to the fact that the employee fluctuation rate is comparatively low. Over the last ten years, the fluctuation rate within Germany has averaged at 1.86 %. In 2007 it was even lower, at 1.05 %. 112 people left the company in 2007. During the period under review no jobs were relocated abroad and no forced resignations occurred at Miele. On the contrary, the number of employees rose at a rate of over 4.4 % in relation to the increase in unit production, in order to stay inline with the company's growth rate.

The two jubilee events that take place each year are a tradition within the company, and not without reason: Over 9,500 people have celebrated jubilees throughout the company history, and these people have contributed to the success of the Miele brand by working for the company for 25, 40 or even 50 years.

### Total staff of Miele & Cie. KG

At the end of 2007, 16,091 people worked for, and identified themselves with, the company across the world. Every one of these employees bears responsibility for the implementation of the motto "Forever Better". The employees are aware of this and apply it on a daily basis at work.



The demands placed on the employees are high. A successful company needs people who are willing to work to keep the company at the top. Success is the best motivation; it is enjoyable to belong to the best.

Then there are those factors that turn employees into motivated staff: fairness and open dialogue, and the feeling of being accepted and valued as a person. It comes as no surprise that so many employees feel that they belong to the “Miele family”. Many members of staff working at Miele today are the second, third or even fourth generation of the same family who have worked for the company.

#### Social and Ethical Standards

At Miele it is a matter of course that each member of staff is treated with respect and in a responsible manner. The standards of employment were further strengthened in 2004, when Miele undertook the obligation to fulfil the SA8000 social standard in all of its own production locations. In order to ensure adherence to this measure an external assessor carries out inspections. The standard includes the following criteria:

- No child labour or forced labour
- No discrimination
- Adherence to health and safety standards at the work place
- Freedom of association and collective bargaining
- No disciplinary measures allowed, e.g. psychological or physical sanctions

- Working hours and level of remuneration in accordance with legal or contractual regulations

#### Challenges and Targets

Miele is pleased to be so popular amongst job seekers but nevertheless places a great value on highly qualified applicants. In view of the demographic development and the resulting lack of skilled labour, Miele faces a great challenge. The targeted development of skilled labourers and management personnel from within the company, and the assembly of an international talent management scheme, are both key tasks for the personnel department. The overriding aim is to be able to recognise the potential of employees and applicants, and to encourage this potential in whatever way possible. The measures being used by Miele to address these challenges are described in detail over the following pages.

“Miele distinguishes itself from its competitors due to its loyalty to its location and the enormous responsibility it has towards its employees. The future challenge is to retain qualified employees whilst maintaining cost efficiency.”

*Karsten Tacke, Managing Director and head of the department for tariff and social policy at Gesamtmetall, Employers' Association for the Metal and Electrical Industry (Gesamtverband der Arbeitgeberverbände der Metall- und Elektro-Industrie e.V.)*



[www.sa-intl.org](http://www.sa-intl.org)

#### Awards received in 2006/2007 confirm Miele's responsible personnel policy

|   |   |
|---|---|
|  | <b>TOP Employer</b><br>Trendence Institut Berlin        |
|  | <b>TOP Corporate Research Foundation</b>                |
|  | <b>Fair Company –<br/>A better chance for graduates</b> |



## Working for Miele



Vacuum Cleaner Shop: Managed by Miele trainees



The success of a company is largely dependent upon its staff. Thus, one of Miele's key principles is to discover talent, to encourage it to grow and to challenge it, and finally, to make this talent a part of the company over the long-term.

Even though the company enjoys great popularity amongst those seeking work, in some sectors there is a shortage of the highly qualified employees that the company needs. The motivation to employ more women in technical fields is, therefore, of importance and is supported by a whole range of job opportunities for trainees, students and university graduates.

### Professional Apprenticeships: A Solid Foundation

Miele provides a systematic and wide-ranging occupational basis for its trainees. There are currently 29 different roles available, and this number is likely to grow. In 2007, 457 trainee positions were occupied. All 264 youngsters, who completed their

training during the period under review, went on to gain full employment in the company.

In addition to the training programmes, apprentices have the option of gaining further education and further distinguishing themselves. There are, for example, additional study groups (Factory Management, Trainee Newspaper, Supervision of School Work Placements). One of Miele's unique ventures is the vacuum cleaner shop in Gütersloh, which is completely run by trainees on their own initiative.

### A Dual Degree:

#### Combining Training and Studying

Since 1995, Miele has offered dual degrees in both sales and technical fields. Here students can gain a trainee qualification alongside their studies. The courses combine practical training in Miele factories with theory-based studies at a university. With the dual degree, highly motivated and above-average youngsters can give themselves the ideal basis for a successful career.

### The Entry Programme:

#### From Studying to Working in One Step

Miele has been systematically training new management since 1989. Since then, over 100 trainees have graduated from the entry programme with a diploma or a Master degree.

A new Miele position was created at the end of 2007: "Technical Assistance to the Factory Management". As a staff function, it is directly attached to the factory man-

agement. These employees support and take some of the burden off the manager of the factory with regards their operative and strategic tasks. Candidates for this position must have graduated with a technical degree.

**Encouraging Women to Try Technical Careers**

22.8 % of Miele’s workforce in Germany is female and these female employees work largely in business-related careers. Only 7 % of those training in the technical courses are women, in comparison with 60 % of the business-related courses. The percentage of women in management positions is 8 %. Here, Miele recognises both a need for action and a chance to find qualified personnel. It is for this reason that the company takes part in a number of schemes, including "Girls’ Day“, with the aim of encouraging female pupils to consider a career in a technical occupation. In 2007, 20 female pupils visited Miele as part of this region-wide day for action.

In September 2007, Miele supported the 13th “Women in Engineering” National Congress in Bielefeld. This led to the development of a regular meeting of female engineers, designed to provide a place for them to exchange their experiences and information.

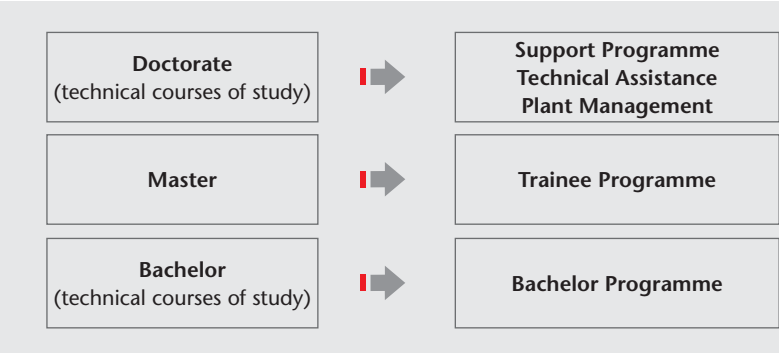
Furthermore, Miele is involved in the PePon (Using Personal Potential) mentoring programme. 16 companies from the East Westphalia-Lippe region took part in the pilot project in 2006/2007, with the

aim of encouraging women to take on management roles and to develop their skills in this field.

**Challenges and Targets**

Trainee engineers are in great demand, in general and at Miele. A two-year graduate programme is going to be introduced in 2008/2009. It focuses on graduates from technical courses with a Bachelor degree. Miele is also planning on maintaining the quantitative and qualitative level of trainee positions and dual degrees. The number of employees should remain in line with the company’s growth strategy. Moreover, Miele will continue to support projects like PePon, to encourage women to try their hand at technical careers and to take on leadership roles.

Different entry programmes for university graduates



[www.miele-sustainability.com](http://www.miele-sustainability.com) ➤ Employees  
➤ Working for Miele ➤ Studies and Dual Degrees

## Further Education and Life-Long Learning



190 management staff learn at the 3rd "Competition" symposium



Guest lecture by Dr. Alfred Hutterer, Trumpf Maschinen, Austria

Personal development is a priority at Miele. This company's employees are its most important capital and they are invested in with passion.

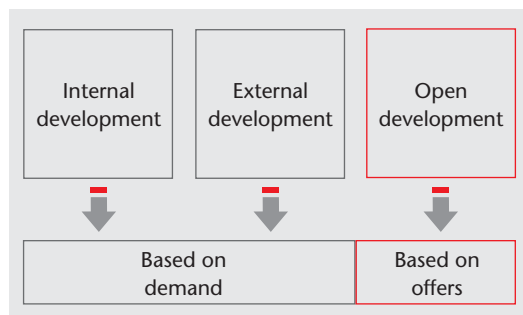
In the 2006/07 financial year, every member of staff received an average of 8.05 hours of training.

The average employee age at Miele is 43.4 years.

Very few jobs stay the same. Change and further development are constant companions. In order to stay on top of the changing requirements, Miele has a range of opportunities available.

The foundation for personal development is an annual employee meeting, in which

The three pillars of continuing education at Miele



development potential, further training possibilities and desires are discussed. Continuing education has three pillars:

- Internal development
- External development
- Open development

Miele also actively supports a systematic development of management and specialists with the help of various programmes.

### The Three Pillars of Continuous Education

Within internal development, training programmes are offered in: Communication/Team Work, Organisation/Working Methods, Sales and Technical Topics, IT, and Foreign Languages. Employees can also attend external events, which relate to their specialist field, as part of the external development. This generally concerns specialist topics that are directly related to the job. Every member of staff has the right to an annual skill enhancement as part of either internal or external development, so long as it is necessary for the fulfillment or development of their role at Miele. In 2007, employees attended over 11,600 days of training courses, 8,700 of which were internal and 2,900 external.

The vocational training programme forms the third pillar of personal development. In contrast to the internal/external development, these events take place in employees' free time and are financed by Miele. They range from IT to foreign languages to relaxation courses. There were 2,781



participants in 2007; equivalent to 1,000 employees (some employees attended multiple courses).

Miele places particular emphasis on the development and encouragement of management material. True to the principle of demanding and encouraging above-average achievements, Miele seeks to find future management amongst its own staff. A mentoring programme sees experienced employees give advice to the managers of the future, helping them with their careers, giving them contacts, supporting their projects and providing feedback.

### Challenges and Targets

Personal development is influenced by a range of factors. As mentioned above, demographic change also plays a role here. Further training concerns all employees at Miele, whatever their age. One example is the “Learning after 40” programme. In order to guarantee a high level of knowledge transfer, specialist programmes are to be intensified in 2008 and 2009. Since October 2006, a model project has been running at Lehrte in which employees who are about to go into retirement pass their knowledge onto their successors. It is a project based on the transfer of professional knowledge and one that embraces valuable life and professional experience. Since April 2007, a “corporate learning” project has been running with the aim of introducing streamlined teaching methods for all Miele locations across the world. In 2008, there are plans to install software that will help

with the administration and management of further education.

One large challenge in the increasingly complicated world of work is the identification of promotion material and the encouragement of professionals with specialist knowledge. In order to guard against a lack of specialists, Miele employees are encouraged to systematically develop their technical, methodical, social and personal competences.

In order to keep in line with the growing internationalisation, Miele is currently establishing a “cross-border network” based on transferring management and leadership knowledge across borders and factory locations. Since 2006, annual internal symposiums have been taking place on this topic.

The main aim of personal development goes without saying: to stay in touch with the changes to job requirements and roles in the company and with the needs and expectations of employees.



---

[www.miele-sustainability.com](http://www.miele-sustainability.com) » Employees  
» Further Education and Lifelong Learning  
» Development of Managers and Future Leaders

---

## Health and Safety at Work



Miele employees working out



Important: Communication at the workplace

The safety of staff at work is a key part of Miele's company philosophy. Life should be protected and health maintained and promoted. It is for this reason that safety measures are an inseparable part of all work.

The fields of Occupational Safety and Health Protection are regulated and organised by the Miele Management System, mentioned in chapter 3, which regulates the contents and their implementation down to the smallest detail. The standards are high and they cover the globally recognised OHSAS 18001 standard, although they are not certified in accordance with this.

16 specialists are employed within the factories to deal solely with occupational health and safety. They advise the factory manager with the planning, implementation and maintenance of operational plants; the acquisition of technical equipment; the introduction of procedures and substances; and in the structuring of jobs and operational procedures. In addition, 176 employees in the factories and sales

and service centres work as safety officers alongside their main roles and are therefore contact persons for all their colleagues. The work-safety committee meets four times each year at the national and international levels. Alongside, the occupational health and safety manager, the factory managers, department managers, works doctor, workers' council and safety officers all meet in Germany. This responsibility is also taken seriously at the international level.

Whether discussions be about adhering to regulations, measuring noise and dangerous substances, or about personal protective clothing or ergonomic issues; the occupational health and safety specialists play a large role. Safety discussions and inspections, which take place regularly in every department of the factory, guarantee the accurate application of important measures. Approximately 20 to 25 inspections are undertaken each year in Gütersloh alone. All safety officers take part in a training session every quarter. Through an annual total of around 90 external professional training courses and 30 specialised training sessions in almost all departments, the necessary knowhow is passed on to all employees and kept up-to-date.

These consistent preventative measures are: Accidents at work have been significantly reduced over the past ten years. The average number of notifiable workplace accidents at Miele per million man-hours that have occurred in Germany over the last five years (excluding commuting accidents) is 12.92 cases annually.

### Health Care

In the Gütersloh factory, the largest location, there has been a company physician on site since 1973. One occupational health practitioner, three nurses and three medical assistants carry out the necessary preventative medical check-ups on all members of staff. They treat job-related accidents and on-site emergencies, as well as acute illnesses and offer annual flu vaccinations and bowel cancer prevention. The Bielefeld factory includes a doctor and a nurse. Statutory health insurance physicians and medical personnel cater for staff at the other locations.

### Preventative Care

Miele believes in motivating its staff to do something to help maintain their health. Various types of sports courses are available as part of the vocational training programme. In order to help motivate staff,

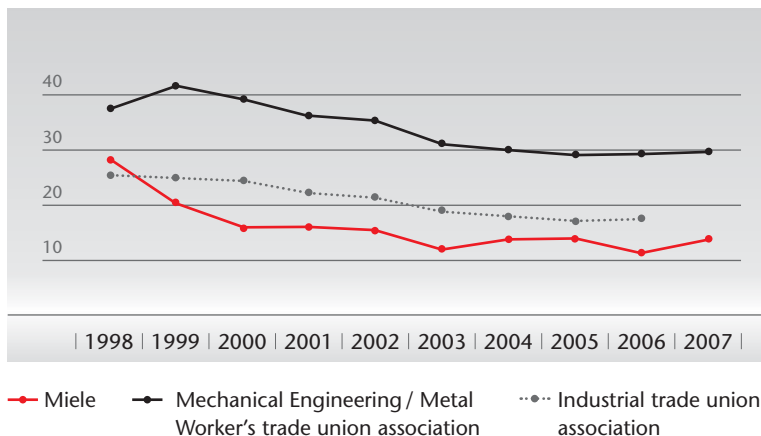
interesting events take place each year in Gütersloh: In 2007, the mountain climber Reinhold Messner visited the main factory to discuss the success of extreme personal motivation.

The company addiction help group is available for discussion and positive help. People have been getting advice from here for over 20 years and, since 2001, a regulator has been in place to regulate processes and procedures. Around three employees are given addiction help and support each year.

### Challenges and Targets

The number of accidents at work, occupational diseases and damage to health should be further reduced in the future. In order to achieve this, the programmes described above will continue to work intensively. Intensive training sessions also take place in the international factories.

Trend of Notifiable Accidents at Work (not including commuting accidents) per 1 million working hours



The trend of notifiable accidents at work for every 1 million hours worked shows that the figures lie noticeably below the figures of the Association of Commercial and Industrial Workers' Compensation Insurance Carriers and the Machine Construction/Metal Accident Prevention & Insurance Association. (The associations' figures for 2007 were not available at the time of print.)



## Benefits for Employees

The founders of the company have constructed it in such a manner that, right from its inception, it has acted in a just and respectful way towards its staff. This spirit has been maintained by Miele to this day and has led to the creation of a strong common “we” identity.

### Flexible Working Hours

Miele allows its staff to enjoy a flexible model of working hours, meaning that they can balance their jobs with their many other commitments. 5.1% of the employees in Germany work on a part-time basis, in a variety of different ways: day shifts or night shifts; mornings or afternoons; on certain days of the week or every day. There is a flexible shift model within the production departments. Set “target group models” do not exist; rather solutions are found on the basis of the requirements of the individual and the company.

### Family and Career

Employees actively take parental leave from the company. During the years of 2006 and 2007, 54 and 66 employees took parental leave in Germany respectively. Men are increasingly taking advantage of this option: in 2006 only one male employee took parental leave; in 2007 this number had increased to ten.

### Fair Remuneration

Appropriate levels of pay are a matter of course when the company’s spirit is taken into account. They are based on labour-agreement and operational policies and adhere to the regulations set in the SA8000

standard. In Germany, the collective agreement in the metal and electronics industry from North-Rhine Westphalia/Lower Saxony applies to Miele; in Austria it is the collective workers’ agreement for the iron and metal industries and the collective agreement for employees in the industry – Association of the Austrian Machinery and Metalware Industries. In the Czech Republic and China, the levels of remuneration are calculated in accordance with the cost of living and inflation levels.

### Extensive Fringe Benefits

The company’s retirement arrangement has a long tradition. It was created back in 1929 by the company’s founders. Today the company guarantees post-retirement benefits, calculated in accordance with the average annual salary. Within Germany, Miele also helps secure its employees’ future by offering deferred compensation via the Metall-Rente programme.

### Challenges and Targets

Miele wants to continue offering flexible working models so that the individual requirements of its employees can be met. However, it remains important that the company’s interests, for example a change in units to be produced, can be conciliated with this working model.



www.eratv.de



www.miele-sustainability.com » Employees » Benefits for Employees » Fringe Benefits

## Employee Participation

Employee surveys are carried out regularly in certain sectors, for instance, in the electronics factory in Gütersloh. In 2006, an employee survey on the topic of company culture was undertaken. The questions addressed aspects relating to cooperation and communication, with the main aim of investigating the relationship between the staff and the management. The results were discussed in feedback talks and then introduced as direct measures.

The general works council was, of course, involved in the management's decision-making process. Here, an open and constructive dialogue plays a key role in overcoming the challenges that are being faced.

### Challenges and Targets

One example is the topic of temporary employment. Miele employs temporary workers so that it can react to fluctuations in production and employment. The Miele workers' council also takes on responsibility for the occupational health and safety, equipment and working hours of the temporary workers. In March 2007, an agreement was reached stating that the number of staff employed as temporary workers would increase from 2.5 % to 4.5 % in the factories. It was also decided that the temporary employment agencies used by Miele must have an unlimited permit (as described in the Law on Temporary Employment), as well as a labour agreement with a trade union belonging to the Confederation of German Trade Unions. As far as international locations are con-



Transparency



Togetherness

It is the people that make a company what it is and this is especially true with Miele. The cooperation of Miele staff is characterised by employee participation – direct talking as a first medium of communication. Even members of the senior management team are approachable and can be contacted – and this is true as much for administrative staff as for staff from the production lines.

cerned, employee participation is to be guaranteed in accordance with the state-enforced framework conditions. In the Uničov factory there is a workers' council, whilst the employees are represented by a department of the KOVO trade union, which was founded in February 2008. In Hong Da, the SA8000 social standard is to be implemented and a number of additional workers' representatives are anchored to this.



[www.miele-sustainability.com](http://www.miele-sustainability.com) » Employees

» Employee Participation

» Employee Suggestion Scheme





# Dialogue

ACTIVE FOR THE SOCIETY







## Dialogue with Society

Miele places a high value on transparency and communication. The company considers it to be self-evident that this openness also applies to public dialogue and this is stipulated in the company's philosophy.

appliance industry. During the product design and optimisation phases, Miele works with scientific bodies, e.g. with the universities in Bielefeld and Munich, as well as with the Fraunhofer-Gesellschaft.

### Initiatives and Affiliations

Miele has been a member of B.A.U.M. since 1997 and, with the Bielefeld CCI, is also a founding member (1991) of the "Environmental Initiative of the Industry in the Region of Gütersloh" and the associated "Environmental Foundation of East Westphalian Industry". Since 2004, Miele has been involved in the development of an industry-wide collection system and is a sponsor of the "Elektro-Altgeräte Register". Furthermore, Miele is particularly active in the numerous working groups of the ZVEI. It deals with environmental protection and disposal, as well as with "intelligent living" and "CSR". On a European level the company cooperates with the European Committee of Domestic Equipment Manufacturers, representing the interests of the domestic

### Stakeholder Survey

In 2008, Miele carried out its first survey of international stakeholders. A total of 32 stakeholders were interviewed, each of whom had a connection to Miele and were considered to be a suitable representative of their group. They included representatives from the fields of science, economics, politics and administration, society, employees and NGOs. The aim was to investigate the interests of relevant stakeholders regarding sustainability and their demands for manufacturers of domestic appliances. Miele has addressed the key topics in this report, and provided answers.



[www.stiftung-ear.de](http://www.stiftung-ear.de)

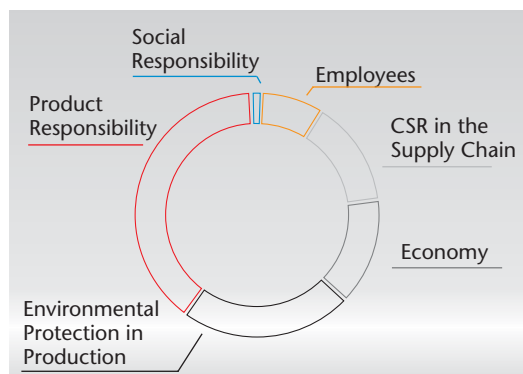
[www.zvei.org](http://www.zvei.org)



[www.miele-sustainability.com](http://www.miele-sustainability.com) » Society » Dialogue with Society » Memberships

### Relevant Trends and Topics relating to Sustainability for Miele & Cie. KG

Mentions in the sectors in %





## Commitment to the Region

In 1974, the Miele Foundation was founded on the 75th anniversary of the company. On the company's 100th birthday the foundation's capital was increased to 2.5 million euros. The aim of the foundation is to encourage the common welfare of the town of Gütersloh. The company itself provides nationwide support, with a particular focus on projects for children and young people, who have some sort of connection to employees.

### Commitment to Children

The Miele Foundation has been financing the Gütersloh "Ferienspiele" for over 30 years. This festival gives children the chance to play games and have fun under supervision and instruction. It is mainly for those children who are not able to go on holiday.

"Gemeinsam zum Sport" ("Playing Sport Together") is the name of a cooperative project run by the town of Gütersloh and financially supported by Miele. Here children with behavioural problems learn how to accept the rules governing society. Sport acts as a medium for integration and gives them a chance to gain recognition and to develop their own self-confidence. They are brought to the project by the youth welfare office or their carers and are then given continued supervision and accompanied to the sports classes. This method works: Many of the children go to training inde-



Supporting youth sport is a matter of key importance for Miele

Miele is a family-owned enterprise and this concept is central to its attitude towards social responsibility. Thus the focus of Miele's activities is to be found on the factory locations and in the areas to which both the founding families and Miele employees have a connection.

pendently and on a regular basis and there are very few drop-outs.

### Commitment to Culture

Local culture is also valued highly by Miele. The Miele Foundation has been supporting the Westphalian Philharmonic Chamber Orchestra of Gütersloh since 2002. The orchestra plays at events and concerts across Germany.

In 2003, out of solidarity with the town of Gütersloh and its citizens, the Miele Foundation promised two million euros for the construction of a new theatre. Construction began in May 2008 and the opening premier is due to take place by the end of 2009. The new theatre will help to raise the quality and attractiveness of the area.



[www.miele-sustainability.com](http://www.miele-sustainability.com) » Society  
» Commitment to Society » The Miele Museum

## Commitment to the Region

### Interview with Maria Unger, Mayor of Gütersloh



Maria Unger, Mayor of Gütersloh

**Miele has strong ties to the Gütersloh region. How would you describe the company's involvement in the local society?**

Miele is actually very closely linked to the town. This is demonstrated both by the Miele and Zinkann families and the employee structure. There is a lot of truth in the notion that whole families, often several generations, work or have worked for Miele. I think that this results in a commitment to the town, which in a way stems from the staff. Here are a few examples: Miele is, together with our other local global player, Bertelsmann, currently supporting the construction of Gütersloh's new theatre by contributing five million euros to the project. The "Ferienspiele" games festival has been taking place in Gütersloh for over 30 years. It is funded by the Miele Foundation and gives the youth and children of Gütersloh the chance to enjoy an extensive range of courses, sports and events during the Easter and summer holidays. One further example: With the help of the Miele Foundation, which financed this multi-year project as part of the town's anniversary in the year 2000, we have been able to research the town's development and history and publish a much-admired chronicle of the town.

Furthermore, Miele has always been a key partner; especially with regards cultural, sporting and other town-related events, such as the "Gütersloher Sommer" or the NRW Landesturnfest 2008 – a large and successful event that took place in May here in Gütersloh.

**Miele maintains a close connection with the community. As a representative of the town, how do you consider the dialogue to be with Miele?**

My previous answers are also relevant when discussing the dialogue with the town. The many local connections help to create a culture of dialogue in which there is regular and direct contact between the key figures in the town and the company. I find our exchanges very open and full of trust and personal empathy; they are also not always related to matters concerning the company.

It is clear that the senior management at Miele are very interested in the state of local affairs and the topics that are high on the local agenda. This was true and indeed continues to be true, as much for the senior generation as for Dr. Markus Miele and Dr. Reinhard Zinkann.

## Glossary

### A

#### Audit

Procedure for monitoring the management system. The audit is carried out by a trained internal or external auditor.

#### AÜG (German Law on Labour Leasing)

The German Law on Labour Leasing regulates the commercial leasing of temporary workers in order to guarantee their social protection.

### B

#### B.A.U.M.

German Environmental Management Association: an environmental initiative by the industry that has over 450 members and operates above party lines.

### C

#### CAVE

Computer aided virtual environment: a projection technology that creates a three-dimensional virtual reality, with which it is possible to interact.

#### CCI

Chamber of Commerce and Industry

#### CO<sub>2</sub>

Carbon dioxide

#### CSR

Corporate Social Responsibility (CSR) describes the level of responsibility of a company whose business affects the society, its employees, the environment and the economic surroundings.

#### Confederation of German Trade Unions

The umbrella organisation of eight individual trade unions, which together represents the key industries.

### E

#### Elektro-Altgeräte Register

#### (Old Electronic Appliances Register)

This foundation guarantees all authorised bodies that manufacturers/importers with an obligation for recycling comply with their duty in accordance with the Law for Electric and Electronic Goods.

#### ElektroG

The Law for Electric and Electronic Goods stipulates that, from March 2006, all old electric and electronic appliances must be able to be handed in to a communal collection point free of charge. The ElektroG ratifies the EC WEEE directive RoHS into German law.

#### Emissions

All contaminating materials, heats, noises, vibrations, etc. in solid, liquid or gas form that leak from factories or technical processes into the environment.

#### Energy Efficiency

The energy-efficiency category is an evaluation scale for the European energy label; a label which all large domestic appliances in particular product groups must be labelled with to be traded. The label provides information regarding energy consumption and performance and allows the consumer to compare the energy efficiency of different models from the same product group.

#### Environmental Protection Costs

Costs that occur in a company due to voluntary or legal requirements.

#### ERA

An agreement reforming collective wage agreements, in which the division of those receiving wages and those receiving salaries was abolished and a common remuneration was introduced.

#### EuP

Environmentally-friendly design of energy-consuming products (EU directive 2005/32/EC) for the integration of environmental aspects into the development and design processes concerning energy-consuming products.

### G

#### Global Compact

A United Nations initiative that calls on companies to respect the ten principles regarding human rights, working standards, the protection of the environment and the fight against corruption.



## GRI

The Global Reporting Initiative is an independent institution designed to develop guidelines for the compilation of sustainability reports. The third version has been available since October 2006 (G3).

## H

### HCFC

Hydrochlorofluorocarbon

## I

### ISO

The International Standard Organisation, which develops global standards..

## K

### KG

Private limited partnership

### kWh

Kilowatts per hour (1kW = 1000 watts)

## M

### Matrix Certification

A certification audit requires that individual locations are appraised. The appraisals of these sites are then considered to represent the company as a whole.

### MW

Megawatt (1 MW = 1 million watts)

### MWh

Megawatts per hour (1 MWh = 1000 kWh)

## O

### OHSAS 18001

Occupational Health and Safety Assessment System

## P

### PePon

Making the most of personal potential: a mentoring programme for women that has been introduced in 18 East Westphalian companies.

## R

### REACH

Registration, Evaluation, Authorisation of Chemicals (EU regulation from 1st June 2007).

### RoHS

Restriction of the use of certain hazardous substances in electrical and electronic equipment (EU directive 2002/95/EC).

## S

### SA8000

A standard developed by the NGO SAI (Social Accountability International), designed to guarantee an improvement in working conditions.

### Stakeholders

Groups who have a direct or indirect relationship to the company through business activities (e.g. customers, employees, suppliers, politicians, scientists and society).

## W

### WEEE Directive

Waste Electrical and Electronic Equipment (EU directive 2002/96/EC).

## Z

### ZVEI

The German Electrical and Electronics Industry Society: a lobby group for the German electronics industry.

## Imprint

### Publisher

Miele & Cie. KG  
Carl-Miele-Straße 29  
33332 Gütersloh, Germany

Postfach  
33325 Gütersloh, Germany

Telephone +49 (0)5241/89-0  
Telefax +49 (0)5241/89-2090

[www.miele.de](http://www.miele.de)

### Additional Information on the Internet

Please refer to [www.miele-sustainability.com](http://www.miele-sustainability.com) for  
a comprehensive online version of our Sustainability Report 2008

Please refer to [www.miele-presse.de](http://www.miele-presse.de) for:

- Business Report 2007/08
- Brochure:  
"Trust – The company and its values"

### Editorial Team and Text

Ursula Wilms, Miele & Cie. KG

### Conception

Schlange & Co. GmbH, Hamburg

### Design

Domin Kommunikationsdesign, Hamburg

### Photography

Christian Ring, Bielefeld  
Miele & Cie. KG

### Contact Person

Ursula Wilms  
Press and Public Relations  
Telephone +49 (0)5241/89-1958  
Telefax +49 (0)5241/89-1950  
E-Mail: [ursula.wilms@miele.de](mailto:ursula.wilms@miele.de)

---

Printed on FSC-certified paper.



The Miele & Cie. KG Sustainability Report 2008 has been produced in accordance with the standards of the Forest Stewardship Council (FSC) and printed on FSC-certified paper. FSC stipulates strict minimum ecological and social standards in worldwide forest cultivation. The aim is to avoid unregulated deforestation, infringements of human rights and placing a burden on the environment. As the products with the FSC seal are sent through a number of stations during their processing, the printing houses have also been certified to adhere with the FSC standards.

---

This sustainability report is also available in German.



**Miele**