

Miele



MIELE
SUPPLIER CODE OF CONDUCT

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PREAMBLE

Miele & Cie. KG and its respective affiliates (Miele Group), (hereinafter referred to as 'Miele') is an independent, value-based, and traditional family-owned business. As such, Miele feels particularly committed to its employees, customers as well as its business partners and the public. Miele stands for partnership-based behaviour towards its stakeholders, an employee-oriented company culture and reliability when it comes to values, objectives, and management. Miele has made its sustainability strategy an integral part of its company strategy. It serves all employees as a guiding principle for their daily work and is applied in all operational and strategic processes.

To be able to offer our customers innovative and sustainable products of the highest quality and durability, we source raw materials, goods, and services worldwide. Reliable corporate management that is focused on long-term value creation forms the respective basis. For this reason, we integrate supplier management directly into our sustainability strategy and pay particular attention to ecological and ethical-social aspects and not only to economic aspects in our procurement activities. In this context we commit ourselves to complying with internationally recognized guidelines and principles.

It is our aspiration to work exclusively with suppliers who also commit themselves to complying with defined sustainability principles in their day-to-day business. Miele therefore provides its suppliers with this Supplier Code of Conduct (hereinafter referred to as SCoC) with the aim of strengthening a common understanding as to the implementation of the following requirements in business cooperation and integrating these into everyday business.

SCOPE OF APPLICATION

The following principles and requirements form an integral part of the business relationship between Miele and its suppliers. The suppliers recognize the principles listed below as minimum standards and are obliged to align their behaviour in accordance with these principles and to also comply with them. In this context, suppliers undertake to comply with all applicable laws and regulations. Miele expects its direct and indirect suppliers to commit to the principles of this SCoC and to act in compliance with them.



1. HUMAN AND LABOUR RIGHTS



Miele expects its suppliers to comply with the United Nations International Bill of Human Rights, taking into consideration country-specific and site-related applicable laws. At the same time, basic employee rights under the applicable national legislation, the core labour standards of the International Labour Organization (ILO) and the International Standard Social Accountability (SA8000) by SAI are recognized and observed. In addition, the supplier must comply with regulatory requirements relating to due

diligence in the supply chain. Miele expects its suppliers to respect the rights of third parties in compliance with all international standards and to contribute to the elimination of possible impairments and to keep them as low as possible in the meantime.

Apart from that the following obligations relating to human rights are binding for all suppliers:

Exclusion of forced labour and modern slavery

The supplier undertakes to exclude all forms of slavery, slave-like practices, serfdom and other forms of domination or oppression. At the same time the principle of freely chosen employment and activity of the employees must be protected. This excludes any work or service that is required of a person under threat of punishment and for which he or she has not volunteered. This excludes labour or services that are compatible with article 2(2) of the ILO Convention no. 29 or article 8(3) (b) und (c) of the International Covenant on Civil and Political Rights.

Prohibition of child labour and protection of young employees

Miele expects its suppliers to strictly exclude any form of child labour. For this purpose, any person under the age of 15 is considered a child, unless the minimum age for work or compulsory education is higher under local laws. In this case, the higher age as defined at this place applies. Exceptions are permitted only as provided in the ILO 138 (with ILO Recommendation 146). In the context of the employment of juvenile employees under the age of 18, special protection must be provided to the effect that no work may be performed that endangers the physical or mental development of the juveniles. It has to be ensured that young employees do not work any overtime or night shifts.

Equal opportunities and non-discrimination

The supplier strictly rejects any form of discrimination in the working environment. The supplier must ensure that employees are in no way discriminated against, favoured or harassed on the basis of their gender, age, skin colour, sexual identity, religious confession, world view, political opinion, social origin, national and ethnic descent, membership of a national minority, nationality, health status, disability, membership of employee organizations (including trade unions), pregnancy, veteran status or other legally protected characteristics, as well as other personal characteristics in accordance with ILO Convention 111.

Reasonable working hours

The supplier shall ensure that applicable laws, collective bargaining agreements (where applicable) and industry standards regarding working hours, breaks and public holidays are followed. The normal working week excluding overtime may not exceed 48 hours. Employees shall be provided with at least one day off following every six consecutive days of working. All extra hours must be performed on a voluntary basis and may not exceed the limit of 12 hours per week and may not be on a regular and permanent basis. Exceptions are emergencies and exceptional circumstances.

Appropriate remuneration and benefits

The supplier must grant the right to a minimum wage to all employees. The wage must at least correspond to the applicable national or local statutory minimum wage. Wages shall be paid timely, in full and regularly in a comprehensible manner and in the form of a legal tender.

1. HUMAN AND LABOUR RIGHTS

Freedom of association and right to collective bargaining

The supplier shall respect the right of employees to join forces in trade unions and employee organizations, to form these, or join and organise them in a free and democratic manner. The supplier shall not discriminate or retaliate against any employee due to their membership of a trade union, the formation of such, or joining a union. Ultimately, the supplier respects the right of unions to operate freely and in accordance with the jurisdiction at the place of employment. This includes the right to strike and the right to collective bargaining.

Occupational health and fire safety

The supplier is required to ensure a safe working environment and humane working conditions. Effective preventive measures shall be taken to best prevent potential health and safety incidents and work-related illnesses that may arise during work. The supplier shall comply with the occupational health and safety obligations that are valid for the place of employment in accordance with the requirements of ISO 45001. In addition, it is necessary to take appropriate measures and precautions for fire safety. Compliance with national law on occupational health and fire safety laws is binding for the business partner.

Protection from eviction and deprivation of land

Unlawful evictions by the supplier and its agents, as well as the unlawful deprivation of land, forests or waters, the use of which secures the livelihood of a person, shall be refrained from.

Use of private or public security forces

The hiring or use of security forces shall be refrained from if, due to a lack of instruction or control on the part of the supplier, there is a risk of torture, cruel, inhumane, or degrading treatment, injury to life or limb, or impairment of the right to organise and the freedom of association.

Obviously unlawful action/omission

Any action or omission in breach of a duty which is directly capable of impairing a protected legal position in a particularly serious manner and the unlawfulness of which is obvious upon reasonable assessment of all the circumstances in question shall be refrained from.



2. ENVIRONMENTAL PROTECTION

As a conscientious family-owned company with global value chains, Miele attaches particular importance to the global challenge of environmental protection. Miele would therefore like to sensitize its suppliers to take appropriate initiatives for promoting environmental responsibility and working towards the development and dissemination of environmentally friendly and innovative technologies. Based on this Miele requires its suppliers to comply with applicable national energy and environmental laws, regulations and standards as well as to establish and apply an environmental management system in accordance with ISO 14001 or an environmental management system suitable for the relevant industry.

The supplier must comply with the following environmental obligations:

Protection of the natural basis of life

The supplier undertakes not to cause any harmful soil changes, water pollution, air pollution, harmful noise emission or excessive water consumption and thus destroy the natural basis of life. This is the case when the natural bases for the preservation and production of food is significantly impaired, a person is denied access to safe and clean drinking water, and access to sanitary facilities is made difficult or destroyed, or the health of a person is harmed.

Prohibition of harmful substances

The supplier undertakes to comply with all applicable national and international conventions, regulations, directives and laws on banned substances, restrictions and declaration requirements as well as applicable standards regarding the prohibition and declaration of substances. The supplier is always informed about changes and new releases of these specifications and can implement them in due time. In addition, the supplier follows the material-related strategy specifications of Miele, among others from the currently valid MWN 195 (Miele company standard). Any changes to the products supplier are to be coordinated with Miele at an early stage.

Climate protection and CO₂ management

Based on its corporate strategy, Miele aspires to develop the best products and services with the lowest possible impact on the environment, with the goal that they are completely carbon-neutral. The supplier must ensure that effective measures are implemented in accordance with the Paris Climate Change Agreement to reduce direct and indirect CO₂ emissions and work towards the use of renewable energy sources. The supplier is required to provide transparency about its own emissions as well as emissions from upstream activities. Furthermore, suppliers are obliged to provide Miele with all data and measures to reduce future emissions.

Circular economy

Miele working towards creating a circular value chain with net-zero waste for all materials used in our appliances to re-enter the loop at the end of their lifecycle. Miele expects its suppliers to implement adequate measures for the development of circular processes and products.

The supplier is required to provide appropriate information on the recyclability of subcomponents. Based on this, Miele reserves the right to ask for more detailed information from the supplier, upon request, about the materials used as well as joining processes of subcomponents.

Upon request, the supplier must provide information on the recycled content of materials and components used in connection with Miele products. In addition, Miele would like to know about the recycling processes used.

Waste management

The supplier must ensure that effective mechanisms are in place to reduce waste in the production process and that environmentally friendly and professional handling, collection, storage, and disposal are guaranteed. This applies to the same extent to the chemicals used as well as wastewater. In this context, it is important to ensure compliance with all applicable national and international conventions, regulations, directives, and laws. This is also applicable for the ban on the import and export of hazardous waste.

Eco-friendly production and products

Miele expects that resources such as energy, water and raw materials are used efficiently and responsibly throughout the production process. With regard to the use of energy, this can be supported by an energy management system, for example according to ISO 50001. All products manufactured along the supply chain must meet the environmental standards of their market segment. This refers to the entire product life cycle and includes all materials and assembly groups used in the production process.

Product safety and quality

All products and services manufactured or supplied must meet the quality and safety criteria specified by law, those given by the published state of the art, and those laid down in the contract. During the use phase, it must be ensured that the products and services can be used safely in accordance with their intended use.



3. ETHICAL BUSINESS CONDUCT AND CORPORATE INTEGRITY

For Miele ethical business practices are an essential component of responsible corporate conduct in a global context. Miele requires all suppliers to operate in accordance with the fundamental principles and foundations of ethical business conduct. In this context, the OECD Guidelines for Multinational Enterprises are binding for suppliers. In addition, suppliers must comply with all applicable laws, policies, and regulations in the countries in which they operate or are located. Appropriate measures shall be taken to ensure compliance with these laws, guidelines, and legal provisions.



Prohibition of corruption and bribery

Miele undertakes to comply with the United Nations (UN) Conventions and supports the OECD Anti-Corruption Guidelines and relevant anti-corruption legislation. Miele expects its suppliers to reject any form of corruption, bribery, acceleration bribes, theft, embezzlement, fraud, or extortion. Illegal payments or the granting of other advantages to individuals, companies, customers, public officials or other third parties with the aim of influencing decision-making processes must also not be tolerated.

Prevention of money laundering

The supplier must ensure that the respective applicable statutory provisions to prevent money laundering and terrorist financing are complied with. The term money laundering refers to a process of smuggling illegally generated funds and acquired assets into the legal economic cycle.

Fair competition

Miele expects its supplier to comply with all applicable laws that serve to promote and safeguard competition, in particular antitrust law. The supplier respects free and fair competition. In addition, no anti-competitive agreements with third parties are made or dominant market positions abused.

Import and export control

Miele requires its suppliers to strictly comply with all applicable laws targeted at importing and exporting goods, services, and information. In addition, the supplier is expected to comply with nationally and internationally defined sanctions lists.

Avoidance of conflicts of interest

Miele expects its suppliers to take any decisions relating to its business with Miele exclusively based on objective criteria. Conflicts of interest with private issues or other economic or miscellaneous activities, including those of family members and related persons or organizations, are avoided from the outset.

Protection of confidential information and intellectual property

The supplier engages to treat as confidential all commercial and technical information that is not publicly known but becomes known to him through business relations. Confidential information may not be published without authorization, passed on to third parties or made available in any other form. With regard to data worth protecting, the supplier must ensure that it is properly collected, processed, stored or deleted.

Data protection and security of information

Miele expects its suppliers to attach particular importance to the protection of personal data of employees, customers and other suppliers and to comply with all applicable data protection laws. Without legal authorization no personal data may be processed. This refers to any form of processing such as the collection, storage, compiling, use and provision of data. Miele expects its suppliers to adequately manage the information systems that contain confidential information or data from Miele and protect them against unauthorized access by appropriate technical means. In addition, the supplier shall comply with applicable information and cyber security obligations based on the requirements of ISO 27001 and ISO 27032.

4. RESPONSIBLE SUPPLY CHAINS AND DUE DILIGENCE

Miele focuses on a partnership-based cooperation with its suppliers and stands for responsible and fair conduct towards employees, customers, suppliers and other stakeholders.

Conflict minerals and high-risk raw materials

In the case that a Miele product contains one or more of the conflict minerals or high-risk raw materials listed below, Miele expects its suppliers to integrate appropriate measures with respect to their direct suppliers to comply with applicable national and international conventions, regulations, guidelines and laws. Conflict minerals and high-risk commodities include, in particular, ores and concentrates derived from the raw materials tin, tantalum, tungsten, gold and cobalt.



COMPLIANCE AND IMPLEMENTATION OF THE MIELE SUPPLIER CODE OF CONDUCT

Miele expects its suppliers to ensure that the basic principles of the SCoC are observed and fully integrated into day-to-day operations. Supplier management must independently deal with the regulatory requirements arising from the Miele SCoC. In order to ensure the compliance and implementation of the Miele SCoC, the following mechanisms must be implemented at the suppliers:

Implementation of target-group-oriented trainings and education

The supplier must take care that its employees are offered an appropriate training programme on the contents of this document. The employees need to be continuously qualified on these requirements and align their actions in accordance with the principles of this document.

Introduction of a documentation system

The supplier shall document, to the extent required by law, all appropriate documentation and records necessary to fulfil the Miele SCoC.

Definition of remedial measures

The supplier guarantees that, should a violation of a human rights-related or environmental obligation in its own business or at its direct suppliers have incurred or be imminent, it will immediately take appropriate remedial

measures to prevent or terminate such violation or to minimize the extent of the violation. If the nature of the violation is such that the supplier cannot end it in the foreseeable future, the supplier must create and implement a plan to end or minimize it. The concept must contain a concrete time schedule and has to be presented to Miele. Should the supplier have grounds to suspect that a violation of a human rights-related or environmental obligation at its indirect suppliers seems likely, the supplier shall immediately prepare and implement a concept to prevent, end or minimize the violation.

Cascading requirements

Miele expects its suppliers to pass on the principles and requirements of this SCoC to upstream supply chain structures by taking reasonable efforts. This applies to suppliers and service providers who are directly and indirectly involved in the production of Miele products.

Duties to inform

Miele reserves the right to request relevant information on social, environmental, and circular issues.

Recommendation for the publication of a corporate statement

Miele recommends that the supplier draws up and publishes a corporate statement in which it commits itself to social, ethical, and environmental responsibility. The statement should be written in the local language(s) in order to provide all employees with full access to the core principles.

REPORTING OF VIOLATIONS & POTENTIAL MISCONDUCT

Miele has set up a complaint procedure that allows affected persons or other whistle blowers to point out potential violations of this SCoC directly as well as anonymously. The supplier shall inform its employees about the possibility of this complaint mechanism. The complaint procedure is handled by Miele's external attorney-of-trust (Ombudsman) who can be reached as follows:

Miele's attorney-of-trust:

Dr. Carsten Thiel von Herff, LL.M.
Loebellstraße 4
D - 33602 Bielefeld
Phone: +49 521 557 333 0
Mobile: +49 151 58230321
E-Mail: ombudsmann@thielvonherff.de
Reporting platform: www.report-tvh.com
Homepage: www.thielvonherff.de

The attorney-of-trust works as a self-employed and independent lawyer. He is impartial and is not subject to any instructions from Miele regarding the content-related treatment of facts. The attorney-of-trust is bound to secrecy. If requested, he will keep the identity of a person providing information confidential.

CONSEQUENCES OF VIOLATING THE MIELE SUPPLIER CODE OF CONDUCT

The principles and requirements of this SCoC form an integral part of the business relationship between Miele and its suppliers. Miele requires the supplier to accept this Supplier Code of Conduct or provide an equivalent alternative. Should the supplier violate or fail to properly comply with the minimum requirements of this SCoC, the supplier shall take steps to terminate or minimize the violation and shall present appropriate evidence thereof to Miele. In the event of a very serious violation or the persistence of a violation despite the measures worked out in the remedial concept and upon expiry of the time specified therein, or if no other, more lenient means are available to Miele, then Miele will reserve the right to suspend or terminate the contractual relationship without prejudice to any other rights.



Miele & Cie. KG
Procurement
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