

B/S/H/

We are responsible

Sustainability KPIs 2015

About this report

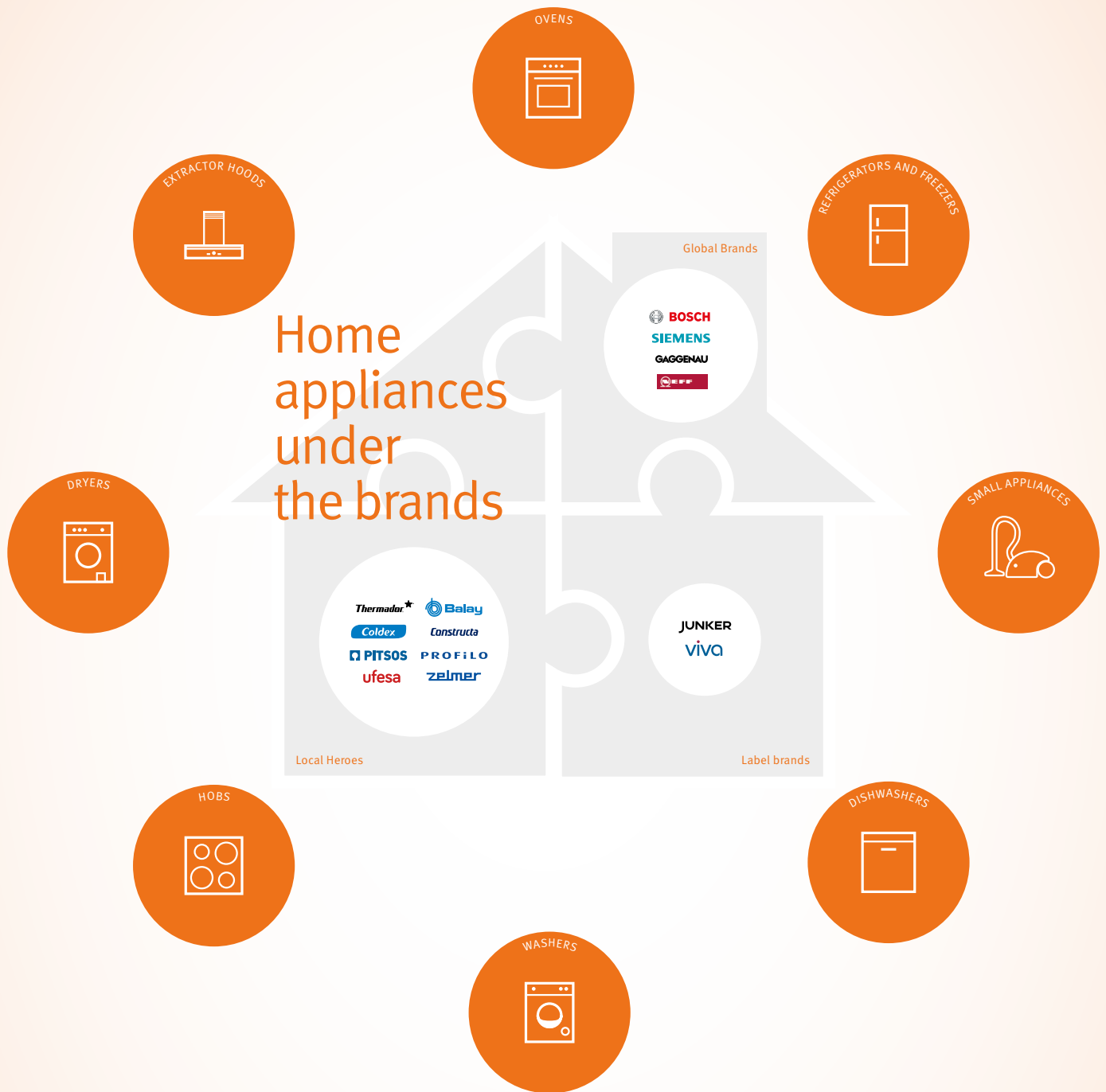
The extraordinary success story of BSH Hausgeräte GmbH over a period of nearly 50 years is the result of sustainable, value-oriented corporate management. Innovation, our strong brands and a keen focus on our customers have made us what we are today: the market leader in Europe and number two in the world. In 2015 we were able to increase our revenue to 12.6 billion euros, with a workforce of around 56,500 employees worldwide.

BSH has been reporting annually on the implementation of its sustainable corporate strategy since 1992. This report covers our corporate headquarters in Munich and all BSH sites around the world, presenting events, developments and environmental and employee-related key performance indicators for the 2015 fiscal year.

The report can be downloaded at publications.bsh-group.com. You will find more on topics such as environmental protection, occupational health and safety and energy efficiency in the 2015 BSH Annual Report at report2015.bsh-group.com.

BSH portfolio of brands	02
BSH 2015 in figures	03
<hr/>	
Governance, risk, compliance	04
Business partners	06
Environment	08
Consumer interests	13
Employees	15

Home appliances under the brands



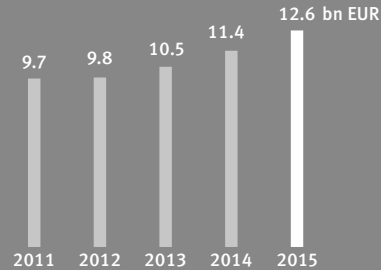
BSH Hausgeräte GmbH is the largest home appliance manufacturer in Europe, and one of the industry leaders worldwide. Its product portfolio spans the entire spectrum of modern household appliances. It includes everything from stoves, ovens, extractor hoods, dishwashers, washers, dryers, refrigerators, and freezers to small appliances like vacuum cleaners, coffee machines, electric kettles, irons, and hairdryers.

BSH Home Appliance Group is a Trademark
Licensee of Siemens AG for the brand Siemens
and of Robert Bosch GmbH for the brand Bosch.

BSH 2015 IN FIGURES

REVENUE

12.6 billion



With revenue growth of about 11 percent, to EUR 12.6 billion, BSH was even able to outperform the prior year's vigorous growth. A clear incentive for the years to come.

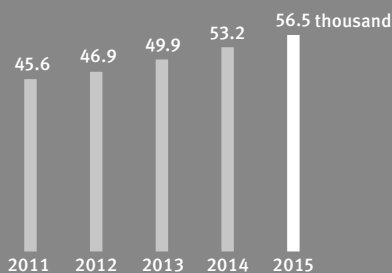
CUSTOMER SERVICE

20 million

BSH responded to over 20 million telephone and online queries worldwide in 2015. Our staff provide advice using remote diagnosis so that customers can help themselves.

EMPLOYEES

+ 3,300



At the end of 2015, BSH had a worldwide workforce of about 56,500 employees (including trainees). The increase especially reflects the reinforcement of the regions.

FACTORIES

41

41 production sites in Europe, the USA, Latin America, and Asia and a strong network of nearly 80 sales, production, and service companies in around 50 countries are a strong foundation for BSH's customer-oriented business model.

COMPLIANCE

29,000

To enable employees to take responsible decisions in difficult situations, over 29,000 web-based compliance training sessions and over 400 classroom training sessions were held in 2015.

ENERGY CONSUMPTION

-26%

As part of the "Resource Efficiency 2015" Group project, BSH succeeded in reducing specific energy consumption by 26 percent by the end of 2015 compared to the base year of 2010. Water consumption was even reduced by 27 percent.

RESOURCE EFFICIENCY

20 million

BSH's future energy costs each year will be EUR 20 million less than they were in 2010. A sign of the success of the company-wide project "Resource Efficiency 2015".

INVESTMENTS

500 million

In 2015, BSH invested a total of over EUR 500 million in expanding and modernizing its locations. Solid support for future growth.

Governance, risk, compliance

BSH has set itself the ambitious target of increasing revenue to 20 billion euros by 2025. We aim to achieve this growth without impacting our environmental and social responsibilities. The values of BSH enshrined in our corporate guiding principles and a clearly defined governance risk compliance model provide us with orientation here. Particularly in times of change, our managerial staff have to act as important role models if we are to be successful.

Integrated governance-risk-compliance-model

Reliability, fairness and integrity – in terms of how we deal with each other internally as well as with our business partners and consumers – are an integral element of our corporate guiding principles and underpin our success over the long term. We don't make promises we can't keep. We consider promises to be commitments, and we respect the law wherever we are active. Clear structures, responsibilities and guidelines ensure compliance in all parts of the company and in all the company's processes. Our integrated governance risk compliance model allows us to monitor any risks associated with our business activities and work out what we have to change in terms of how we manage the business. The Corporate Legal/Compliance, Corporate Internal Audit and Corporate Risk Management/Internal Control System divisions are the direct responsibility of the Chairman and CEO.

Group-wide establishment of regional compliance structures

As part of its growth strategy, BSH has strengthened its regional companies. To this end, the regional and local compliance structures are also being adjusted, and roles and responsibilities sharpened accordingly. The merger of the former Compliance and Legal divisions has resulted in synergies and interfaces and thus reduced friction losses. Legal and compliance advice from a single source gives BSH greater agility in its business processes, while maintaining the same high level of legal certainty.

Strengthening global compliance processes

Selected compliance processes have been strengthened in order to implement the compliance management system consistently. The rollout of an IT system internationally thus facilitates internal compliance investigations that comply with the relevant legal provisions and processes. Just as before, any employee who wants to report an infringement can contact the independent Lawyer of Trust in confidence or even anonymously, where appropriate, or use the IT-based whistleblower system ("Trust and Tell").

The introduction of the high-risk transaction tool in Germany means that incoming and outgoing payments will now be automated and checked for anomalies with a high degree of accuracy in order to prevent corruption or money laundering, for example.

IMPACT, a tool that is already in use in some European countries, allows managers to assign their staff target group-specific training and verify whether they have completed it. Moreover, the compliance organization can use the tool to manage all training activities effectively. In 2015 almost 29,000 web-based training sessions and over 400 actual face-to-face training sessions were held.

Systematic risk management

Business success demands calculated risk-taking. BSH's enterprise risk management (ERM) is focused on the early identification, assessment and management of those risks that can have a significant negative impact on the achievement of business objectives. On the basis of a regularly reviewed general catalog of risks, we record all the specific risks involved in our business activities. These include strategic, legal and regulatory issues as well as compliance, tax, sustainability and reputational aspects. Country-specific risks are taken into account as well as product-, production- and sales-related risks. The catalog assists with risk identification and also serves as the basis for the creation of risk maps throughout the group.

Risk managers in all BSH companies provide support to the Corporate Risk Management, Internal Control System division. The management of each organizational unit is responsible for risk management in that unit. Web-based information, training and topic-specific workshops contribute to a shared understanding and the creation of a risk culture. The Risk Management Committee, which comprises two Board of Management members and selected heads of corporate departments, meets every six months.

Business partners

Taking environmental and social considerations into account throughout the value chain so that we are beyond reproach – that is part of our responsibility. BSH launched its social compliance program in 2013 and has been making efforts since then to ensure that all its suppliers adhere to certain minimum standards in terms of working conditions and environmental protection.

Code of Conduct provides the foundation

In the interests of sustainable value creation, we work with our suppliers on the basis of fair competition. BSH only considers working with companies that also attach great importance to environmental protection, human rights and health and safety at work. These principles governing our relationships with our business partners are enshrined in the BSH Code of Conduct.

Social compliance program

BSH's social compliance program requires our suppliers to accept our Code of Conduct for suppliers in writing. In addition, they must provide evidence of successful completion of a social audit by an external auditor. We began systematically auditing all 3,000 or so of our existing suppliers of production materials in 2013. We have been auditing 200 of these suppliers each year since 2014. They are selected based on the risk ratings of groups and countries of materials. In addition, we audit all prospective BSH suppliers before awarding any contracts and have been doing this since 2013.

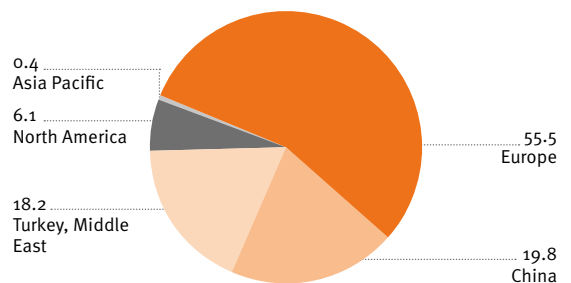
Systematic social audits

The social audits are commissioned directly by the suppliers themselves. BSH receives the results of the audits, including details of any action required. Based on a four-step ranking system – critical, major divergence, minor divergence, compliant – the cases of suppliers assessed as “critical” or that diverge from requirements are escalated accordingly. This can lead to another audit or even the termination of the business relationship. A specialized team in the Global Supply Chain division verifies compliance with these framework requirements and is also responsible for annual auditing.

The results are reported internally on a quarterly basis. In the year under review, there were complaints in a few cases in connection with occupational health and safety or working hours. These were dealt with in subsequent audits, if not before.

Purchasing volumes production materials (MDA)

As a percentage; Including currency



As of December 31, 2015

Communication and training of all involved

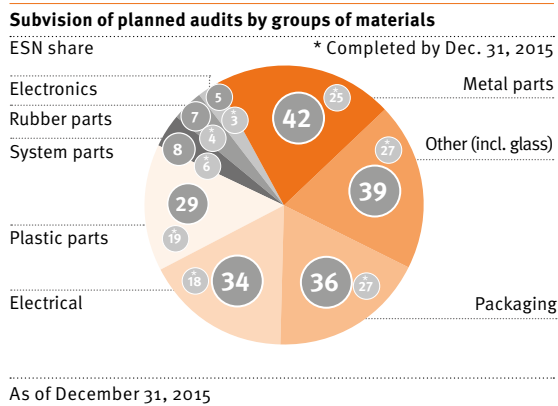
The success of the social compliance program hinges on getting the procurement officers responsible on board from the word go and providing them with professional support, as well as making sure that the business partners involved are given clear, comprehensive information. To ensure that all involved are kept up to date on the audit process and the ratings, a manual was produced for BSH procurement officers. Further documents provided for orientation purposes are a list of the most frequently asked questions, an outline of the social criteria and, since 2014, a social compliance newsletter. The information provided on sustainability issues is complemented by both internal and external training.

Procurement governance

By setting up a new Global Supply Chain organization at the beginning of 2015, BSH laid the groundwork for uniform, transparent procurement processes throughout the BSH Group as well as clear, end-to-end responsibilities and reporting structures.

The BSH Business Conduct Guidelines set out binding rules stipulating how our staff should deal responsibly with customers and business partners. They provide guidance with regard to competition and cartel legislation, anti-corruption measures or the avoidance or conflicts of interest.

In 2017 we want to have our procurement processes audited and pronounced “safe and clean” by an independent third party.



Environment

For almost 25 years, we have been reporting on our successful efforts to minimize the environmental impact of manufacturing and using our home appliances. Our ambitious resource efficiency program has proved its worth as a significant driver of improvements and measurable savings. We are also working on innovative solutions to reduce the CO₂ emissions caused by the transportation of finished appliances.

Resource Efficiency 2015 group project

When the Resource Efficiency 2015 group project was launched in 2010, BSH set itself the target of reducing the specific consumption of energy and water by 25 percent and the specific volume of waste by 10 percent by the end of 2015 compared to 2010. By the end of the year under review, the project was concluded successfully on the whole with the following results:

- Energy: -26% (kWh/t)
- Water: -27% (l/t)
- Waste: +2% (kg/t)

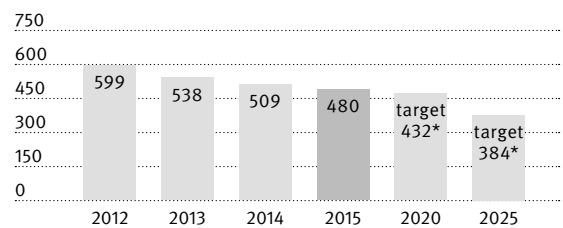
The targets for energy and water were reached with something to spare, but the target for waste was missed. A total of around 70 million euros of energy costs were saved for an investment of around 20 million euros. The annual bill for energy will be around 20 million euros a year lower in future.

Despite strong growth of almost 30 percent since 2010, BSH's carbon footprint has improved by 9 percent (Scope 1 and 2). This was achieved with a variety of different measures, such as the demand-related switching off of systems and equipment, the reduction of process water temperatures in pretreatment, the optimization of painting facilities or the renewal of lighting systems. The modernization of the compressed air supply systems, prevention of leaks, installation of frequency controllers for pumps and air compressors and improvements in plastics processing were also effective. BSH also invested in the installation of energy-efficient conveying technology for the assembly lines and the optimization of infrastructure such as the heat-

ing, air-conditioning and ventilation systems. At the same time, a standard measurement infrastructure was developed and implemented throughout the world with the help of IT, including a measurement plan and system and reporting standards.

Energy consumption

In kWh per metric ton of product

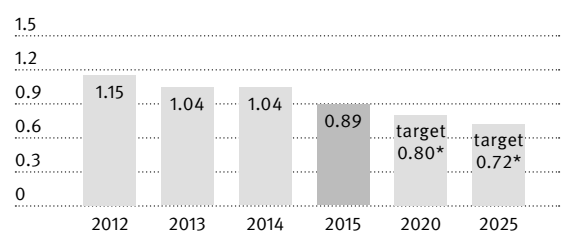


* 10 percent reduction in specific energy consumption from 2015 to 2020 or 20 percent reduction by 2025

Specific energy consumption decreased by 5.7 percent year-on-year to 480 kilowatt-hours (kWh) per metric ton of product.

Water usage

In m³ per metric ton of product



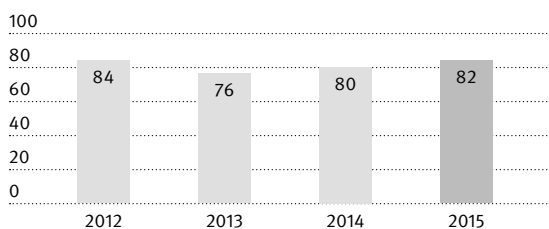
* 10 percent reduction in specific water consumption from 2015 to 2020 or 20 percent reduction by 2025

Specific water consumption per metric ton of product was reduced to 0.89 m³ in 2015 and was therefore significantly lower than the target figure of 0.92 m³ per metric ton of product for the resource efficiency program.

The specific volume of waste rose by 2.5 percent to 82 kg of waste per metric ton of product compared to the previous year. We were thus unable to achieve the resource efficiency program target of 72 kg per metric ton. This is largely due to the fact that manufacturing processes, which have been optimized for many years, now account for only a small proportion of total waste. Most of the total is accounted for by metal punching waste. Due to design guidelines and high-quality parts manufacture, in particular for stoves, hobs and washing machines, this has actually increased over the years. The packaging waste of production materials has also increased.

Waste

In kg per metric ton of product



Follow-on program: Resource Efficiency 2025

Due to the great success of the resource efficiency project and its widespread acceptance throughout the company, BSH has launched a follow-on project: Resource Efficiency 2025. This program will also include the use of climate-friendly sources of energy. In order to build on the savings achieved so far, BSH has set itself another ambitious target: to reduce specific energy and water consumption by a further 20 percent respectively by 2025. Work is still under way on a follow-up strategy for waste.

Environmental protection in operations

80 percent of all waste water went through municipal sewage plants, and 20 percent was discharged directly into bodies of water following on-site treatment. The waste water from production processes at our factories undergoes physicochemical pretreatment.

Waste such as paper, cardboard, plastics, foil, glass, wood and metal is separated as standard at all our factories. The proportion of total waste recycled was again high in 2015 at 94 percent. Hazardous waste accounted for 1.2 percent of the total volume of waste.

Very small quantities of volatile organic compounds (VOC) are released in the manufacture of home appliances during the foaming of refrigeration appliances, painting and impregnation processes and the cleaning of appliance surfaces.

Environmental management and certifications

All 41 BSH factories have been certified in accordance with ISO 14001, the international standard for environmental management systems. In addition, BSH aims to introduce an ISO 50001 energy management system successively at all production facilities in the European Union by the end of 2016. By the end of the year under review, all German sites and three further EU sites were already certified as well as our site in Turkey.

Sites certified according to ISO 14001

China	Wuxi Chuzhou Nanjing	France	Lipsheim	Spain	Esquíroz La Cartuja Montañana Santander* Vitoria*
Germany	Bad Neustadt* Bretten* Dillingen* Giengen* Nauen* Traunreut*	Greece	Athens	Turkey	Çerkezköy*
		India	Chennai	USA	New Bern LaFollette
		Peru	Callao (Lima)		
		Poland	Lodz		
			Rzeszów		
		Russia	St. Petersburg		
		Slovakia	Michalovce*		
		Slovenia	Nazarje		

* Sites whose energy management systems have been additionally certified to ISO 50001

As of March 2016

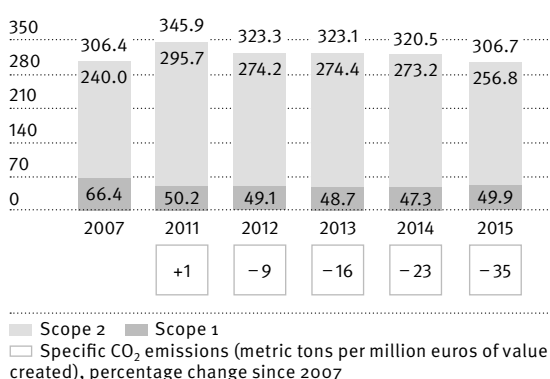
BSH's CO₂ footprint

For BSH, reducing the Group's CO₂ carbon footprint throughout the product lifecycle – i.e. the manufacture, distribution, use and disposal of home appliances – represents an important contribution to improved climate protection. The Scope 1 and Scope 2 emissions of the development and production sites are accounted for using the emission factors of the International Energy Agency (IEA: CO₂ Emissions from Fuel Combustion, 2008):

- Scope 1: oil and gas consumption of the sites
- Scope 2: electricity and district-heating consumption

BSH's corporate carbon footprint (Scope 1 and 2)

In thousands of metric tons



In 2015, BSH's carbon footprint (Scope 1 and 2) amounted to 307,000 metric ton of CO₂, which was 4 percent lower than in 2014 (320,000 metric ton). Around 16 percent of this total comes from direct emissions from oil and gas consumption at BSH sites (Scope 1). The indirect emissions (Scope 2) were reduced by 6 percent compared to 2014, thanks primarily to measures taken in

the factories as part of the Resource Efficiency 2015 project. The parameter used to control our activities is specific CO₂ emissions (Scope 1 and 2) per million euros of value created. We have managed to reduce these by 35 percent since the base year of 2007.

Recording CO₂ emissions throughout the product lifecycle

All CO₂ emissions that cannot be attributed directly to our production facilities are recorded in the Scope 3 categories. It is not possible to record the Scope 3 emissions with precision due to the lack of sufficient data. However, it is possible to say in qualitative terms that the great majority of CO₂ emissions are associated with the use of the products by customers (over 80 percent). Around 15 percent of CO₂ emissions are associated with the manufacture of materials and parts purchased by BSH. The emissions generated directly in BSH processes (Scope 1 and 2) account for only just under one percent of total emissions. Consequently, we believe the most effective contribution BSH can make to climate protection is to develop and manufacture products that make efficient use of resources.

CO₂ emissions from the transportation of finished appliances

In terms of the Scope 3 categories, we consider the emissions from the transportation of finished appliances, over which BSH has a direct influence and for which there is an adequate database available for the purpose of calculations.

As a company with global operations we transport huge quantities of goods. Due to the significant effect this has on our carbon footprint, we want to reduce our CO₂ emissions from goods transportation by 20 percent by 2020 compared

to 2006. In the year under review, 86,047 metric tons of CO₂ emissions were generated by goods transportation from German warehouses to our wholesale and retail partners in Germany as well as deliveries to regional warehouses around the world.

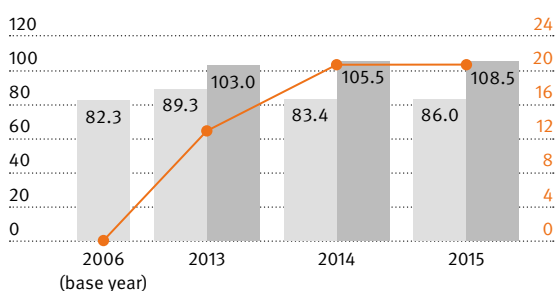
In comparison with the previous year, BSH transported around 1 percent more appliances. Nevertheless, absolute CO₂ emissions rose by more than 3 percent. This is mainly due to more air freight transport to China. Relative CO₂ savings compared to the 2006 base year of 20.7 percent were achieved, in other words, a minimal reduction of 0.3 percent compared with the previous year.

Most of the excess emissions could be offset by other savings, which meant that our target for 2020 was also reached in 2015.

CO₂ emissions from the transportation of finished appliances*

In thousands of metric tons

Savings as a percentage



■ CO₂ emissions absolut

■ CO₂ emissions without savings based on a comparative calculation (base year: 2006)

— Percentage CO₂ savings compared to the base year of 2006

* The effects of changed warehouse and transportation route structures or volume changes are taken into account. Following the updating of the database for shipping, the data for 2013 was adjusted. We have been using the European standard EN 16258 as the basis for calculation since 2006.

Input-output balance sheet

The input-output balance sheet shows all environmentally relevant material and energy flows of corporate headquarters, the development sites and the factory sites at which BSH manufactured products in the year under review (as of December 31, 2015). The data is recorded in accordance with the guidelines for environmental assessment set out in the international standard ISO 14031.

Input flows				
	2013	2014	2015	Units
A Fixed assets				
A.1 Land	4,277,260	4,915,457	5,172,233	m²
A.1.1 Developed	2,042,029	2,328,278	2,445,711	m ²
A.1.2 Undeveloped	2,235,231	2,587,179	2,726,522	m ²
A.2 Percentage developed	48	47	47	%
B Current assets (without outsourced items)				
B.1 Raw materials*	785,280	932,453	921,482	t
B.2 Auxiliary materials**	29,981	42,654	38,450	t
B.3 Process materials***	1,959	1,581	1,812	t
B.4 Energy	757,777	784,873	794,403	MWh
B.4.1 Electrical energy	422,824	483,556	496,155	MWh
B.4.2 Light heating oil	405	845	1,816	MWh
B.4.3 Gas	240,591	233,238	244,879	MWh
B.4.4 Other (district heating, biomass, etc.)	93,957	67,234	51,552	MWh
B.5 Water	1,466,009	1,596,915	1,479,740	m³
B.5.1 From public supply	1,033,788	1,150,621	1,077,816	m ³
B.5.2 From own supply	462,221	446,294	401,924	m ³
Output flows				
C Products				
C.1 Products (number)	54,313	57,958	61,619	Thou- sands of items
C.2 Products (metric ton)	1,407,776	1,542,165	1,653,477	t
C.3 Packaging	91,786	98,969	102,940	t
D Waste	106,515	124,076	134,797	t
D.1 Waste for disposal	7,317	8,676	8,251	t
D.1.1 Of which hazardous waste	1,315	1,789	1,653	t
D.2 Waste for recycling	99,198	115,400	126,546	t
D.3 Percentage recycled	93	93	94	%
E Waste water	1,164,255	1,067,723	959,385	m³
E.1 Of which directly discharged	229,272	197,278	190,480	m ³
E.2 Of which indirectly discharged	934,983	870,445	768,905	m ³
E.3 Of which treated in neutralization plants	190,805	363,181	346,666	m ³
F Emissions				
F.1 Volatile organic compounds (VOCs)	99	95	76	t
Inorganic substances				
F.2 Nitrogen oxides	32	37	68	t
F.3 Carbon oxide (Scope 1)	48,698	47,330	49,949	t

* Metals, plastic granules

** Paints, enamels

*** Oils, emulsions, solvents, acids, alkaline solutions

Consumer interests

We add value for our customers through quality, resource efficiency and the long product lives of our appliances. We identify exactly what they need and take this into account when developing new appliances, during production and when carrying out extensive testing before products are launched. If our customers ever need assistance, whether they are looking for product information or tips for self-help or enquiring about spare parts or a specific repair case, they generally receive a full and professional reply within 48 hours. Information and accessibility on the Internet are becoming increasingly important. The Bosch, Siemens and Neff brands alone are engaged in a direct and constant worldwide exchange with over 3.7 million consumers on social media platforms such as Facebook, Twitter and YouTube.

Reliable worldwide customer service

Our customer service staff provide an expert point of contact locally both before and after each purchase. Customers can also arrange or request visits by engineers online and find out about accessories 24 hours a day, seven days a week. We make sure we deal with particularly problematic cases without delay, even at weekends. Our 8,300 BSH customer service employees around the world and selected service partners make sure that our customers receive fast knowledgeable support. Our service specialists receive regular and comprehensive training – not only in the latest technologies but also to hone their professional service skills. BSH has been crowned Service-Champion for the fourth time in succession in Germany's largest customer survey, which is conducted by Service Value, the newspaper Die Welt and Goethe University Frankfurt.

Effective assistance for customers

We are constantly available, but, in the interests of our customers and the environment, we want to reduce time- and cost-intensive customer service visits. Our aim is to carry out repairs on site only when they are really necessary. Instead, we diagnose problems remotely and show customers how to help themselves – responding to over 20 million telephone and online requests around the world in 2015. In this way, BSH avoided 55,000 customer service visits in Germany alone in the year under review. However, if a visit from a service engineer really is necessary, it is important to be able to arrange an appointment quickly and easily. Our aim is to deal with each repair case on the first visit. We succeeded in doing that with 85 percent of our service calls in Germany in 2015, as we did in the previous year. BSH service extends even further: We stock functionally relevant spare parts for at least ten years and, thanks to our extensive logistics network, can generally deliver them within 48 hours when needed. This benefits the environment as well. Careful route planning, a dense network of engineers, efficient provision of spare parts and the high percentage of cases dealt with successfully first time mean that our customer service team's carbon footprint is constantly being reduced.

Transparency and data protection

The Internet is increasingly being used as a source of information for purchase decisions. BSH's brands have an active presence on the Internet and provide consumers with the latest information on products, accessories and services. Moreover, as one of the world's most innovative manufacturers of home appliances, BSH is active on behalf of its products and brands on the major social media platforms, where it also provides information on trends and has a presence as an employer. A Group-wide network of social media officers coordinate these activities. We take a structured approach to the analysis of suggested improvements and reviews of products and services in 12 countries and provide the results to our product developers, quality management staff and sales companies.

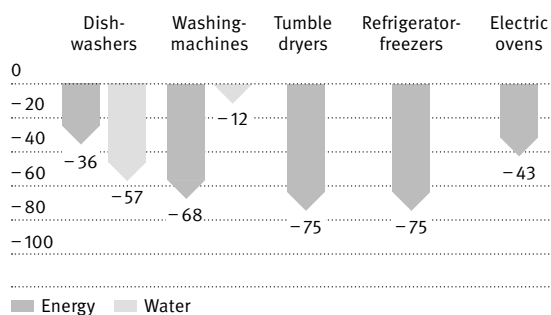
We ensure data protection on many levels. Personal data is handled in strict compliance with local data protection provisions. If personal data is collected, processed or used for apps, e-shops or surveys, for example, BSH ensures the data is used economically and only where necessary. Customers' personal data is treated confidentially and only forwarded to third parties without their consent when this is legally permissible. It is not used for advertising purposes without the customer's explicit consent. Staff who handle personal data have to undertake in advance to maintain data confidentiality. BSH takes into account the particular data protection challenges involved in the networking of home appliances even at the research and development stage.

Resource-efficient products

The energy efficiency of home appliances remains a key topic for consumers and thus also for BSH. The consumption figures of our appliances have fallen significantly in the last 15 years as a result of our rigorous innovation strategy. Today, BSH is the market leader in Europe in terms of sales of highly efficient appliances with an A+++ energy rating, which is the highest energy efficiency class on the EU energy label. These appliances allow our customers to both save costs and contribute to climate protection.

Reduction in resource consumption from 2001 to 2016

As a percentage*



* Comparison between the consumption values for one of our 2016 appliances, as determined based on the standard program, with the similarly determined consumption values for a comparable appliance produced in 2001 (electric ovens 2000).

Employees

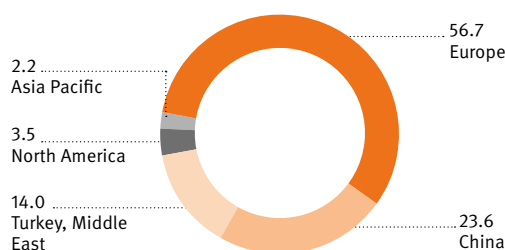
BSH has continued to its worldwide growth strategy while maintaining a clear focus on consumers and their requirements. It is important to our success to recruit and retain the most suitable employees around the world. To this end, BSH practices global talent management and diversity management and offers a wide range of qualifications and training programs. We maintain a dialogue with our employees and develop needs-based solutions for each stage of life that also allow people to combine work with family life.

As of December 31, 2015, BSH's total global headcount, including apprentices and trainees, stood at 56,508 (2014: 53,211). That is 6.2 percent more than in the previous year. Staff numbers increased particularly sharply in China (by 1,214 compared to 2014), Germany (by 999 compared to 2014) and Turkey (by 643 compared to 2014).

They also increased in Poland, the UK and the USA. There were 16,986 employees in Germany (2014: 15,987) and 39,522 in other countries (2014: 37,224). Total personnel expenses amounted to bare 2.8 billion euros. The average age of our workforce around the world remained constant in 2015 at 38.5.

Employees by region

As a percentage



As of December 31, 2015

International assignments were also concentrated in growth markets in 2015. 355 employees around the world were working on an expatriate basis in 2015 compared to 332 in 2014. The number of employees who came to Germany increased by 14 percent in 2015, and the number who transferred between subsidiaries outside Germany rose by 13 percent. The number of German employees transferred abroad remained virtually constant.

The innovation-driven growth strategy of BSH is reflected in its reputation as an outstanding employer. Internationally, BSH again received the Top Employer Europe certification and was also certified as Top Employer Asia Pacific and Top Employer USA for the first time. BSH gained Top Employer certification in a total of 15 countries.

Talent management

Talent management processes and tools help managers to identify and develop employees who have potential. This is the prerequisite for ensuring that jobs are filled with the most suitable employees throughout the Group. The starting point for talent management is a thorough, focused annual performance review for each employee, in which career prospects and training needs are discussed. For talented people with the potential to further their careers in an international context, this information is systematically recorded and can be used by human resources departments around the world in order to find the most suitable employees for their job vacancies. There are also a number of career development programs available to people like this with international potential: the Junior Excellence Program (JEP), the International Executive Program (IEP) and the Senior Executive Program (SEP). The focus is on facilitating personal development and an experience-based approach to developing relevant skills for working in an international environment. In the IEP program, for example, the focus is on leadership and management skills.

46 percent of those in the JEP program and 56 percent of those in the IEP program were from outside Germany in 2015. 515 young professionals were involved in the JEP program, with women making up 29 percent of them. There were 101 young professionals involved in the IEP program, of whom 27 percent were female. The Senior Executive Program (SEP), for members of senior management, had 23 participants, 35 percent of whom came from international subsidiaries and 17 percent of whom were female. The content of the various programs was refocused more intensely on innovation, decision-making and leadership competences in 2015.

In addition to the talent programs, the project management career path and the expert development scheme offer employees further career opportunities.

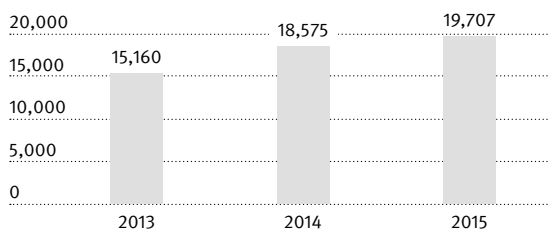
Training

BSH continues to invest strongly in qualification. All employees around the world have a wide range of training opportunities available, customized to suit individual requirements.

Over 19.7 million euros were invested in training throughout BSH Group in 2015. In Germany, 24,453 classroom training days were organized through the BSH Academies. A total of 16,339 employees participated. In addition, employees were able to benefit from a wide range of web-based training.

Investment in further training

Total in thousands of euros



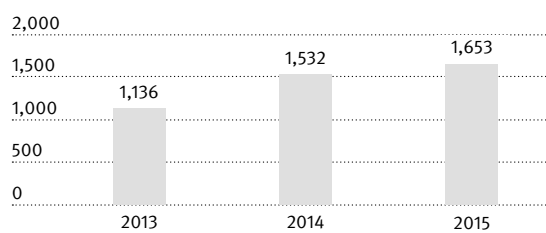
Trainee programs

BSH trained 1,653 young people around the world in a variety of trainee programs in 2015 (2014: 1,532). In Germany, 501 apprentices underwent 17 different technical and commercial programs in the dual system of on-the-job training and part-time vocational school or studied at a university offering cooperative education. Young people can also obtain official vocational qualifications in China, Slovakia, Slovenia, Spain, Turkey and the US. In addition to the local training and trainee programs, there are further country-specific training schemes such as the Chinese dual-track program at the Technical Institute of Chuzhou.

A total of 26 participants completed BSH's international trainee program, ten of whom came from subsidiaries abroad. In some countries, including China, India, Russia and the USA, local trainee programs were also offered and undertaken by a total of 267 participants.

Trainee programs

Number of employees in trainee programs around the world



Diversity management

To support the growth strategy of BSH successfully, we put our faith in global collaboration and international teams. We have employees from a total of 46 countries. Our long-standing international orientation is reflected in the backgrounds of our employees. As at December 31, 2015, 48.5 percent of BSH's senior management came from international subsidiaries.

We also attach importance to our female employees. They currently make up 31 percent of our workforce (Germany: 28 percent). The percentage of management positions occupied by women has continually increased in recent years – to almost 23 percent currently (2011: 18.1 percent). In Germany 16 percent of non-pay-scale employees are women (2011: 14 percent). In accordance with the relevant German equal opportunities legislation, targets have been set for the top two layers of management. The aim is for women to make up 10 percent of the top layer of management by June 30, 2017 and 15 percent of the second layer of management.

Age and collaboration across different generations are additional dimensions of diversity that are important to BSH. The different companies in the Group have very different starting points and requirements to meet. Whereas demographic change in western European countries makes it necessary to meet the challenges of an aging workforce (the average age in Germany, for example, is 41.9), in other countries the workforce is significantly younger (33.7 in China, for example). The focus in this area is thus on local measures. For example, in Germany a cross-site project was launched in 2013 (“Demographic Change in Manufacturing”) in order to meet the requirements of employees at different stages of life. This brings together the wide range of benefits offered by BSH in terms of health care, working arrangements and ergonomics as well as company health management programs.

Dialog with employees

The international BSH employee survey carried out every other year is central to our knowledge of our employees' level of job satisfaction. The Group-wide participation rate of 90 percent in 2015 indicates the high level of readiness of our employees to be involved in change in the future. The ratings for levels of commitment and satisfaction have been high for years all over the world.

Following the survey, a dedicated monitoring tool facilitates a global exchange about the measures needed to bring about improvements. Measures focusing on the content of work, how work is organized and the workplace have been implemented particularly often, and these are also the areas in which the most best-practice measures have been published.

Tools such as Feedback for Managers and the Human Relations Barometer for employees in production are further means of encouraging an open exchange of views between our employees.

Work-life balance

We endeavor to help our employees to shape their private lives in such a way that they can devote themselves to their work free of other stresses. BSH therefore offers additional support to allow them to achieve this work-life balance. Essentially, we want to enable our employees to be able to reconcile their private ambitions and the requirements of their jobs at every stage of their lives. That's why last year 78 percent of our companies were offering their employees flexible working arrangements such as flextime. Part-time employment was possible in 65 percent of BSH companies.

Flexible working arrangements are well established in Germany as well. BSH launched an initiative there in 2013 designed to offer employees a wide range of flexible working arrangements, including conventional part-time employment as well as opportunities to take sabbaticals or work from home.

Occupational health and safety management

BSH has been reporting accidents on the basis of standard, centrally defined criteria since 2000. We document all accidents that occur at work in factories and large logistics and customer service units and result in at least one day's absence. The average rate of accidents per million hours worked at all factories has continually improved in recent years, falling by 67 percent from 2004 (12.9) to 2015 (4.3), with factories in China making a particularly strong contribution (1.4). There were no fatal accidents at work involving BSH employees anywhere in the world in 2015. One BSH employee died in a commuting accident.

All factory sites have introduced an occupational health and safety management system. This has been based on the OHSAS 18001 standard since 2009. To further reduce the number of accidents with lasting effect, the 8D system used in quality assurance has been introduced on a mandatory basis for the analysis of reportable accidents. The 8D reports are available as a source of information for all safety engineers. We have set ourselves the target of reducing the number of accidents per million working hours to three within three years. Accordingly, ambitious upper limits have been set for all factories, and best-practice measures have been published so that these targets can be achieved.

Accidents at BSH internationally

Accidents resulting in at least one day of lost work

