

Miele & Cie. KG – Position Paper on CBAM scope extension

On 17 December 2025, the European Commission published a proposal for a Regulation amending the Carbon Border Adjustment Mechanism (CBAM) as regards the extension of its scope to finished downstream goods and anti-circumvention measures.

Miele welcomes the Commission proposal as an essential step but calls for further improvements to make CBAM fully functional. The CBAM is supposed to complete the EU-Emissions Trading System (ETS) and create a level playing field for European industries by applying the same carbon price on imported goods as if they were produced in the EU. As such, the CBAM is an essential counterpart to the ETS. Without it, carbon costs would be applied one-sidedly to EU based manufacturers, critically undermining their economic viability.

There can be no level playing field if carbon cost burdens were to rest only on the shoulders of EU based manufacturers. Such a situation would devastate EU industries and with that diminish our ability to actively shape the green transition in the EU and globally. We would also risk social peace, because of losing high quality industry jobs and other jobs directly depending on them.

Time is of the essence, since CO₂ cost pressure is mounting now. We need to **make sure that the CBAM is complete and fully functioning** so it can enable fair carbon pricing and equal competition between EU based and non-EU based manufacturers.

To achieve this, several improvements still need to be made to the Commission's proposal:

Key Messages

- A level playing field in CO₂ pricing can only be achieved if the **same rules apply to everyone**. Past experiences highlight that **anti abuse and circumvention measures play a critical role and need to be effective** in creating trust and enabling fair competition.
- **While certain types of household appliances have been added to scope, others remain excluded.** The excluded appliances include variants of included appliances (e.g. washing machine <10kg capacity included, but >10kg capacity excluded) or other appliances with similar material composition (e.g. dishwashers and ovens not included). This needs correction to prevent unfair competition and resulting carbon leakage (see list in Annex I).
- The current proposal for a **Temporary Decarbonization Fund (DCF)** limits eligibility to EEA-based iron, steel, aluminium and fertilizer producers. Given the high share of CBAM basic materials used in their products and the high exposure to international trade, the **household appliances industry should also be eligible for receiving support** from the DCF.

Anti-Abuse and Anti-Circumvention Measures

There is a real risk of circumvention and abuse threatening to undermine trust in carbon markets. Past experiences (e.g. with upstream emission reduction certificates forged in China) have shown that certificates supposedly demonstrating clean production processes are not always reliable. Failure to prevent fraud means law-abiding producers will get crushed. Without effective protection mechanisms, CBAM with its stated goal of enabling fair competition would be dead in the water.

The Commission proposes that actual emissions can only be used if they have been verified by independent, EU-accredited verifiers. In specific cases (combination of origin and goods) where there

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is evidence pointing towards abuse, the Commission may require additional support documents or else take away the possibility of using actual emissions instead of default values.

Miele supports an approach that requires ex-ante verification before permitting the use of actual emissions. All evidence provided must be thoroughly vetted by EU-accredited verifiers. Investigations into irregularities must be quick and where fraud has been detected, any financial gains must be siphoned off and penalties imposed. The Commission should consult with industry associations to quickly identify cases that require further investigation.

All of this is essential for enabling a level playing field and for fostering trust in carbon markets. **All actors involved must abide by the same rules.**

Completion of CBAM Scope

Home appliances - e.g. washing machines, dishwashers or fridges - contain in average about 70% CBAM-covered materials. The rate is even higher for high quality appliances such as ours that use more steel and aluminium for highest durability. In addition, **home appliance manufacturers are highly exposed to international trade** with a TI indicator¹ of 36%. It makes the sector highly vulnerable to EU-manufactured products being replaced with imports and thus to carbon leakage.

For now, **the CBAM scope remains incomplete.** It includes only certain types of appliances such as washing machines, combined refrigerators-freezers and driers. And even for the appliances already included, only selected variants have been considered. With a view to current trends towards higher drum capacity, leaving washing machines or driers with higher load capacity out of scope would pave the way for circumvention by non-EU importers and thus for carbon leakage.

In addition, **other types of appliances with a similar material composition** (and therefore a similar cost push factor and carbon leakage risk) are not included in the proposal. Examples are dishwashers or ovens that also typically contain a large share of CBAM basic materials such as steel and aluminium. Even more pronounced is the use of steel in the case of hygiene appliances designed for professional purposes, such as sterilization and cleaning machinery typically used in medical facilities.

Miele recommends fixing **this issue by adding all relevant large home and professional appliances to the CBAM scope.** In Annex I, we have added our proposal that builds upon the list already proposed by the Commission.

Competitiveness of Exports

Securing a level playing field in the EU internal market is the number one priority and first thought. But the second thought should be about **what happens to EU exports with the ETS driving up CO2 costs in the EU in the coming years.** The Commission proposes a Temporary Decarbonization Fund (DCF), amounting to 25% of the revenues generated by Member States from sales of CBAM certificates. The fund will provide financial support in 2028 and 2029 to producers of CBAM goods that remain at risk of carbon leakage.

In its current form, the DCF is limited to EEA-based iron, steel, aluminium and fertilizer producers. **We believe that producers of finished goods, such as home and professional appliances, should also be eligible to receive financial support provided by the DCF.** Their products have been added to scope because of a high risk of carbon leakage. The risk of products from EU based producers being

¹ Trade Intensity (TI) is calculated by $(Exports + imports) / (turnover + import) \times 100$. It indicates the degree of openness of a sector to international trade.

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replaced with those of competitors from non-EU countries without comparable CO2 pricing also applies to exports. Income generated by ETS and CBAM should help mitigate the loss of competitiveness caused by carbon cost being unequally applied.

These structural trade asymmetries need to be addressed. That being said, the **DCF can only be a temporary solution**. That's why it is important to make this issue part of the ETS review announced for July this year. We need to start discussing a long-term solution already now so that it can be in place in time.

Invitation to discuss this topic further

We hope this contribution to the debate helps illustrate that the further development of CBAM represents a critical juncture for European manufacturing companies. We believe that there is a way to achieve climate goals and at the same time safeguard a strong industrial core for the European economy.

We are at your disposal to discuss this topic in detail in a personal meeting or during a visit of one of our production sites in North Rhine Westphalia.

Miele is considered the world's leading supplier of premium domestic appliances, with an inspiring portfolio for the kitchen, laundry, and floor care. In addition, it offers machines, systems, and services for use in hotels, offices, care facilities, and medical technology, among other areas. Since its founding in 1899, Miele has been following its brand promise of "Forever Better" in terms of quality, innovation, performance, and timeless elegance. With its durable and energy-efficient appliances, Miele supports its customers in making their everyday lives as sustainable as possible.

The company remains in the hands of the two founding families, Miele and Zinkann, and has 19 production sites, eight of which are in Germany, and nine more in the EU. Our supply chains are also deeply rooted in the EU, with suppliers representing about 94% of our purchasing volume being (often small) EU companies. Around 23,500 people work for Miele worldwide, about 50% of them in Germany and 90% in the EU; in fiscal year 2024, sales amounted to 5.04 billion euros. The company is headquartered in Gütersloh, Westphalia.

Annex I: Miele proposal on how to complete the CBAM scope:

CN Codes	Description
Home appliances proposed for a CBAM scope inclusion by the European Commission.	
Our recommendation is to keep them in the CBAM scope (Annex I of the proposed Regulation)	
841810	Combined refrigerator-freezers, fitted with separate external doors
845121	Drying machines, dry linen capacity ≤10 kg
845011	Washing machines, fully automatic, dry linen capacity ≤10 kg
8450 12 00	Other household or laundry -type washing machines, with built -in centrifugal drier
8450 19 00	Other household or laundry -type washing machines, of a dry linen capacity not exceeding 10 kg
Missing home appliances that should be added into the CBAM.	
Our recommendation is to add them into the CBAM scope (Annex I of the proposed Regulation)	
845020	Washing machines, dry linen capacity >10 kg
845129	Other drying machines
841821	Refrigerators, household type, compression-type
841829	Refrigerators, household type, other (non-compression type)
841830	Freezers of the chest type, not exceeding 800 litres
841840	Freezers of the upright type, not exceeding 900 litres
842211	Dishwashing machines, household type
841460	Ventilating or recycling hoods incorporating a fan, whether or not fitted with filters, Hoods having a maximum horizontal side not exceeding 120 cm
Ex 850811	Vacuum cleaners, with self-contained electric motor of a power not exceeding 1500 W and having a dust bag or other receptacle capacity not exceeding 20 l, excluding robot models
85166050	Cooking plates, boiling rings and hobs, designed for fixed installation (non-portable)
85166080	Ovens for building in
86166010	Cookers (incorporating at least an oven and a hob)
841920	Medical, surgical or laboratory sterilizers
842220	Machinery for cleaning or drying bottles or other containers (excl. dishwashing machines)