

Key figures 2015

Following the acquisition of the remaining shares in BSH Hausgeräte and Robert Bosch Automotive Steering (AS), the companies were fully consolidated. In 2014, both companies were still joint ventures, and shares were consolidated at equity.



of suppliers

by 2020 over 2010 levels Status 2015: 471 by 2020 over 2007 levels Status 2015: 3.2

worked

R&D cost

6.4 BILLION EUROS +1.4 billion euros year on year Earnings after tax

3.5 BILLION EUROS +0.9 billion euros year on year Capital expenditure

4.1 BILLION EUROS +1.5 billion euros year on year Personnel expenses

20.4 BILLION EUROS +5.1 billion euros year on year With technology "Invented for life" we are securing our company's lasting success. At the same time, we are contributing to protecting the

Connected for more sustainability policy into practice in the four follow-

natural environment for current and future generations. This report shows how we put our sustainability ing areas: environment, products,

associates, and society. It also serves as a report on our progress as a member of the United Nations Global Compact.



Smart products make our everyday lives more comfortable. Used appropriately, they also help save energy or make life safer. Bosch innovations in the area of connected mobility are just one example among many. Sensors shape the foundation of predictive driving systems that reduce fuel consumption and protect the driver from potential road hazards. More information on connected solutions can be found in the

Products section, page 10



In addition to this, we apply our extensive expertise in the area of networked, energy efficient production to reduce our own carbon footprint. Measures include the deliberate use of renewable sources of energy, as well as initiatives that aim to make our locations as energy efficient as possible. So far, the results have been very satisfying: we have reached the CO₂ reduction target we set for 2020 several years ahead of schedule. Find out more about this in the Environment section, page 7



Connectivity plays a very important role in our daily work as well. We want our associates to cooperate with one another across sectoral and national boundaries. In our view, collaboration is the only way that we can take full advantage of our diverse workforce's potential and creativity. To find out why we have focused more on promoting communication between younger and older colleagues, please consult the

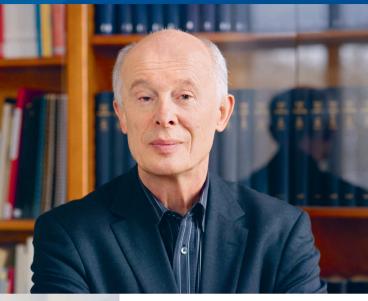
Associates section, page 13



At Bosch locations around the world, our associates volunteer outside working hours. In recent months, many Bosch volunteers have helped people who have fled war and persecution and sought asylum in Europe. They collected donations at many locations and cooperated with aid organizations to set up support initiatives. To find out more, please consult the Society section, page 16

Reducing carbon emissions: one target, two outlooks





The 2030 Agenda for Sustainable Development came into effect on January 1, 2016 (see also page 6). This global plan for the future replaces the UN Millennium Development Goals. What does it mean for business? We asked Dr. Volkmar Denner, chairman of the board of management of Robert Bosch GmbH, and the climate researcher Professor Hans Joachim Schellnhuber for their views.

Mr. Schellnhuber, Agenda 2030 establishes a direct link between global growth, fighting poverty and climate protection for the first time. Why?

Schellnhuber: Fighting poverty is only possible if we limit climate change. That is the view of the World Bank, for which my institute has produced a series of major climate studies. The bank is looking at where climate-related risks threaten the money it has invested in development projects. Man-made global warming is, essentially, a question of justice. Extreme weather, rising sea levels, failed harvests – these consequences of climate change chiefly affect people in the poor countries of the tropics, which contribute the least in terms of CO_2 emissions, profit least from the burning of fossil fuels, and lack the means to protect themselves from the effects of climate change. It is therefore right and proper for big framework agreements like Agenda 2030 to give greater consideration to climate issues. Here, too, it comes down to how fast the plan can be implemented. Within the

space of a generation, we have triggered changes to the climate system that we will not be able to halt for generations.

How fast is a technology company like Bosch when it comes to implementing drastic cuts to CO₂ emissions?

Denner: We were quick in implementing our climate goals and have already reduced our relative emissions by nearly 30 percent over our 2007 levels, relative to value-added. We had committed to reducing emissions by 20 percent by 2020, so we are proceeding faster than expected and have therefore re-adjusted our targets. We are now striving to achieve a 35 percent reduction by 2020.

Meanwhile, our technical solutions are helping create the conditions for the transition to a more sustainable, low-carbon economy. This is particularly true in areas of innovation such as e-mobility, storing renewable energy, and the efficient management of complex supply



Hans Joachim Schellnhuber is

director of the Potsdam Institute for Climate Impact Research, which he founded in 1992. He is a professor of theoretical physics at the University of Potsdam and an external professor at Santa Fe Institute in the United States. He and Professor Dirk Messner (German Development Institute) are co-chairs of the German Advisory Council on Global Change.

networks, such as logistics. Of course, our success also depends on the speed with which we bring these solutions to market. We are thus constantly working on new development methods and organizational models to reduce product development times.

What should all companies do to achieve the Sustainable Development Goals set out in Agenda 2030?

Schellnhuber: What matters most is how companies organize their core business. Do they adhere only to the lowest possible legal standards, or do they demand that suppliers take a socially responsible approach to doing business? Are their material flows based on a cycle, do they minimize the use of energy, and use energy from renewable sources wherever possible? And, above all, are the products themselves sustainable? Not only is this responsible, it makes sound business sense. Companies that, for example, ignore the research data and continue to focus on the internal combustion engine will probably not succeed for much longer.

Mr. Denner, do you share this assessment?

Denner: I agree with Mr. Schellnhuber that the future of driving lies in alternative powertrain concepts. However, we should not ignore that the joint efforts of science and the automotive industry, while producing a number of electric cars, have yet to come up with a massmarket electric mobility concept. At Bosch, we have taken a two-track approach. We are investing nearly 400 million euros a year in order to pave the way for e-mobility. In parallel, we are working just as hard to make the internal combustion engine even more efficient. In this area, we still see plenty of potential for diesel engines. Given global climate protection targets, we consider low-emission diesels as indispensable. I also see synthetic fuels produced from renewable sources of energy, or so-called e-fuels, as an interesting carbon-neutral alternative to electric vehicles.

What requirements do the sustainable development goals entail for Bosch?

Schellnhuber: If Bosch is to meet its own targets, the company must make an even greater contribution to climate protection. By 2014, CO_2 emissions had fallen by only 3.3 percent in absolute terms compared to 2007 – despite the fact that the company's total energy needs shrank by nine percent. I am convinced that Bosch can do much better.

It is important for Bosch to place even greater emphasis on products that are useful in the transition to sustainable systems, as it is already doing with energy storage and connected cities. The company should also bring its influence to bear in Germany and around the world, to show other companies and politicians that if we continue to operate as before, we risk finding ourselves in an uncontrollable crisis of civilization. If, however, we have the courage to transform, we can achieve sustainable growth. Bosch can be a real pioneer, if it can summon up the courage.

Denner: Courage is an important keyword. Bosch's ability to change has not emerged out of thin air. It comes from a corporate culture that values and promotes good ideas and puts them on the path to

innovation. That is the culture we promote at Bosch. For us, sustainable business is essentially about finding technical answers to environmental questions. Because then climate protection pays off. At our sites, for example, we systematically use eco-

"For us, sustainability is not only an international agreement. It is an obligation."

Dr. Volkmar Denner

friendly Bosch technologies. This saved us about 530 million euros in energy costs between 2007 and 2014 alone. This is perhaps what makes companies like Bosch exemplary. For us, sustainability is not only an international agreement. It is an obligation.

Professor Schellnhuber, Dr. Denner, thank you very much.

An unabridged version of the conversation is available online at: **SUSTAINABILITY-REPORT.BOSCH.COM**

Goals that are changing the world

In September 2015, more than 150 heads of state conferred at United Nations headquarters in New York to come up with a new agenda for the fight against poverty and hunger. The Sustainable Development Goals (SDG), a collection of 17 global targets, were the result. Bosch's commitment to sustainable development will pay off on the road toward reaching many of these goals.

The Millennium Development Goals (MDG), the previous United Nations targets, expired in 2015. Not all of them were achieved, and many challenges remain. Hunger is still a major problem, and many people around the world are threatened by war and disease. Moreover, climate change poses a longterm risk for the balance of global ecosystems. For this reason, the SDGs were drafted as a follow-up to the MDGs. The aim is to protect the environment and ensure that all of the world's people can live a life of dignity, peace, and freedom.

The SDGs will be in force until 2030 and are more comprehensive than their predecessors. The global community has agreed on 17 goals, nine more than in 2000. Additionally, the agenda takes environmental, social, and economic issues into account, and thus reflects all aspects of sustainability. The result: ecological concerns feature more prominently in the SDGs than they did in the MDGs. The countries that ratified the goals have committed to implementing measures against climate change and to promoting sustainable consumption and production patterns. Moreover, in contrast to the MDGs, the SDGs apply to all countries, not only to the nations of the global south.

The Bosch sustainability strategy comprises four areas of action: environment, products, associates, and society. This means that the company has taken at least nine of the UN's goals into account. They are highlighted in the graphic below:



Global sustainable development goals

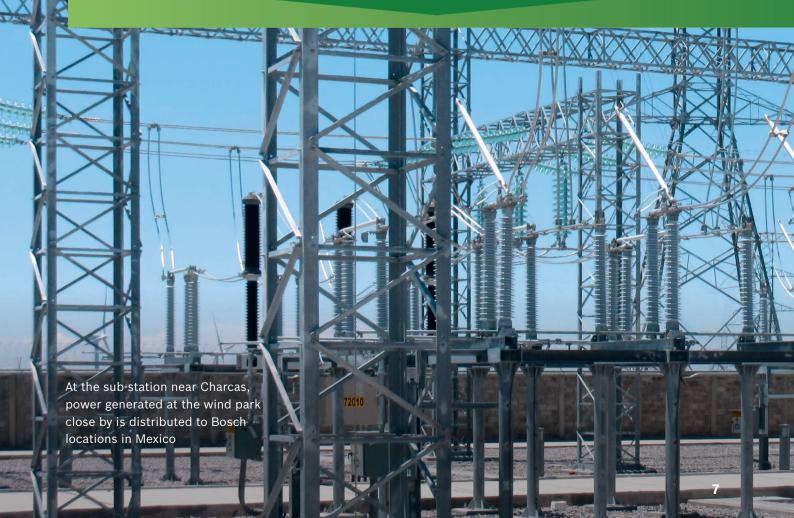
This report describes what Bosch is doing to help reach the United Nations sustainability goals. The SDG symbols will help guide the readers through the following pages.



Environmen

Protecting the environment and adding value

In 2015, Bosch achieved a major environmental target: thanks to the efforts of our locations, we successfully reduced our CO_2 emissions relative to value added by more than 20 percent over 2007 levels – a target that we initially intended to reach by 2020. Moreover, as a result of internal measures alone, we were able to save some 530 million euros in energy costs between 2007 and 2014. This motivates us to set the bar even higher. We now aim for a relative reduction in CO_2 emissions of 35 percent by 2020. To this end, we continue to work on making our production processes even more efficient, and on increasing environmental awareness among our associates. Moreover, we are stepping up our use of renewable sources of energy around the world.



From consumer to producer

Bosch in Mexico has clearly demonstrated that using renewable sources of energy makes sense: ecologically and economically.

Since the beginning of September 2015, the 13 Bosch locations in Mexico have seen 70 percent of their electricity needs covered by a wind park in Charcas, San Luis Potosí. Not only does the switch to green power mark an important step toward protecting the environment, it will also ensure stable prices and lower costs. The wind park is set to provide Bosch with about 65 gigawatt hours of power each year. This will reduce energy costs by about eight percent.

Wherever possible, and wherever it makes economic sense, Bosch invests in expanding its own power generation capacity. In particular, the Diesel Systems division has made major progress in this regard. In 2015, the location in Bari, Italy, began using a cogeneration unit. In addition to supplying the plant with heat and cooling, it also provides electricity. In Homburg, Germany, parts of our power needs have been covered by a photovoltaic power station since 2011. In the spring of 2016, the station was expanded to provide twice as much power from renewable sources. We also use emissionsfree solar energy at our locations in India. The Bosch Nashik plant acquired a photovoltaic power station last year, which is set to be expanded in 2016. And at our new location in Bidadi, India, solar energy will contribute 5,500 megawatt hours to the energy mix each year. With these power stations, Bosch Diesel Systems aims to double its share of green energy over 2015. This year, it expects to generate 33,600 megawatt hours of electricity itself. As a result, the division will reduce its CO₂ emissions by some 17,300 metric tons.



In order to fight climate change, Bosch has taken a broad range of measures. These include increasing the use of renewable sources of energy, especially at new locations.

At Bosch, our commitment to the environment also means making renewable sources of energy accessible to our partners and end users, as we have done in the Netherlands, for instance. At present, a community-heating network is being developed in the Nijmegen region. The network supplies private households with heating energy and hot water from waste processing. Bosch has contributed two hot water storage units with a total capacity of 40 megawatts to the network. In July 2015, the units were installed as part of a heating plant that serves as a backup for the waste-to-energy plant, while at the same time offsetting consumption peaks. The network already supplies 3,000 households, and the number is expected to rise to 14,000 by 2020. Thanks to the sustainable heating supply, these households can reduce their CO₂ emissions by up to 70 percent.



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With the aid of Bosch's hot water storage units, heat from waste processing is distributed throughout approximately 3,000 households in the region around Nijmegen, Netherlands



SUNNY PROSPECTS

In Brazil, solar heating systems are helping low-income families reduce their energy costs. Among other things, Bosch has provided these systems to energy suppliers that donate them to needy families. Around 20,000 houses have been equipped with climate-friendly solar collectors in the past three years.

Cooperating to protect the environment

Bosch aims to do more for the environment than just set targets. We want to raise awareness on the subject continuously and build on our activities to protect the climate and conserve resources.

Our environmental coordinators help local plant managers come up with and implement the right measures. At the Campinas location in Brazil, the "Conserva com você" ("Together for the environment") sustainability program was launched in the middle of 2015. The initiative aims to strengthen the environmental awareness of Bosch associates, and to consistently seek new possibilities to reduce the consumption of resources and increase energy efficiency. A number of projects have already been carried out over the course of the program. For instance, newly installed air conditioning systems at the location's production facilities have helped optimize energy consumption. The results are impressive: thanks to these measures, the Campinas location has reduced its electricity consumption by about 700 megawatt hours per year. It now also produces 280 metric tons less waste, saves 3,000 cubic meters of water, as has reduced CO₂ emissions by 57 metric tons.

In Hallein, Austria, Bosch has set up an exhibit that aims to inform visitors about energy efficiency and sustainable

energy consumption. The "CO₂ Erlebniswelt" exhibit, which opened in 2016, compares vehicles with different drive systems and presents alternative sources of energy, for instance. Display boards illustrate the costs, energy consumption, and CO₂ emissions of different sources of light and explain the EU energy label. In a computer simulation, visitors can also find out, which measures have been implemented at the Hallein site to achieve CO₂ savings of some 25 percent. The exhibit provides direct and concrete information about environmental protection.

On the occasion of World Environment Day on June 5, 2015, Bosch India organized a number of activities for associates at the Ahmedabad location. The aim was primarily to raise awareness about climate change and its consequences, and to show ways in which the related challenges can be addressed. Among other things, associates planted trees at the site, and took part in workshops where they learned how hazardous waste could be reduced, and how energy could be saved effectively.

Making processes more resource efficient

As a manufacturing company, Bosch needs to use raw materials around the world. To reduce negative environmental impact, we continuously focus our efforts on improving our production processes.

One example of this is the treatment method that Bosch Australia has developed. At our plant in Clayton, this method has made it possible to recover copper lost in the production process from the site's wastewater. This valuable raw material is then recycled, and the wastewater is reused. With the help of this method, 40 tons of liquid manufacturing waste can be saved in Clayton each year, and 1.2 tons of copper can be recovered from the site's wastewater. Last year, Bosch Australia was awarded the Australian government's "Premier's Sustainability Award 2015" for this method.



Our sustainability strategy includes systematically collecting and analyzing data on the environmental impact of our production activities around the world. Above all, we aim to continuously minimize this impact wherever possible.

A Bosch India project clearly illustrates how hazardous waste can be reduced and costs saved by optimizing processes. In 2015, the Jaipur manufacturing site developed a system that made it possible to recover used oil from waste material, which in turns means that waste no longer has to be treated as hazardous. The process separates the oil from cooling fluids and solid waste. About three liters of oil can be recovered per hour. Each year, the method allows Bosch to recover some 2,100 liters of oil. In turn, this reduces the cost of hazardous waste disposal.

Taking environmental factors into account at an early stage in investment decision making makes sound economic sense. The Schwieberdingen location in Germany clearly illustrates this: when planning its new cold test bench center for engines and passenger cars, Bosch decided against using a cooling system with fluorinated greenhouse gases, which are detrimental to the ozone layer. Such gases are even more harmful for the climate than carbon dioxide. At the new testing center, the cooling systems operate with ammonia and CO₂ as cooling fluids. As a result, Bosch already complies with the EU directive that entered into force at the start of 2015, which aims to gradually reduce emissions of fluorinated greenhouse gases in Europe by 80 percent by 2030. With forward-looking planning, the Schwieberdingen location is not only reducing the direct environmental impact of its greenhouse gas emissions. Indirectly as well, these actions are helping protect the environment: thanks to the greater effectiveness of the cooling systems that operate with ammonia, the location has reduced its electricity consumption by a third.



Products

"Simply.Connected." – sustainable networks

The internet of things connects people, objects, and machines with one another. When it comes to sustainability as well, connectivity opens up potential for new applications. Products are becoming safer, environmental impact can be measured more precisely, and processes are ever more efficient. Bosch is actively shaping this development, and all the company's business sectors now offer solutions for the internet of things.

Connected measuring technology: effective air pollution alert

Beijing in early December 2015: while delegations from around the world were at the Paris climate conference, the Chinese government issued the highest possible smog alert for the Chinese capital for the first time. Thousands of factories were forced to close temporarily in an attempt to curb particulate pollution in the city. In other Asian cities, too – including Shanghai, Mumbai, and Kuala Lumpur – air pollution is one of the most pressing environmental challenges.

With the aim of offering products that improve quality of life, Bosch China invested a portion of its R&D budget in the development of technologies that can measure, analyze, and improve air quality. At the beginning of November, the company presented the "Air Monitor" control system in China. The smart innovation uses a Bosch environmental sensor to make a precise assessment of indoor air quality, almost in real time. Not only does the sensor measure room temperature and humidity, it also measures levels of particulate pollution in the air. Every six seconds, the sensor transmits the data it has collected online to the control monitor, whose software provides an exact assessment of current air quality. This systematic monitoring of particulate matter makes sense especially for modern, energy-optimized buildings, as such buildings often have limited ventilation.



Bosch sensors monitor air quality in cities and identify critical zones. In so doing, they can help to lastingly reduce environmental pollutants in urban centers.

Connected driving: for safer travels

In different markets, Bosch is pushing connected and automated driving forward. In-vehicle internet connections not only make driving more relaxed, they also contribute to greater efficiency and traffic safety. For instance, real-time data already help drivers avoid traffic jams or respond to sudden hazards effectively.

Launched in January 2016, the active gas pedal is one example of connected technology. With tapping and other noticeable vibrations, it not only enables a more energy efficient driving style, it also warns drivers of potentially dangerous situations. To do this, the pedal is connected with other functions in the vehicle, for instance with sensors that measure the distance to the vehicles ahead. If a car drives up too close to another, the pedal taps and warns the driver to stop accelerating. The pedal can also be connected to online data, for instance data that the navigation system provides. In this way, the smart driving assistant can detect sharp bends or traffic jams before the driver can see them, and suggest that the driver slows down.

TRAVELING THROUGH HANOI BY E-SCOOTER

In major Vietnamese cities such as Hanoi or Ho Chi Minh City, traffic congestion is part of everyday life – as are smog and noise pollution. To accelerate the transition to more eco-friendly mobility, Bosch co-founded the "Green Challenge Award" in 2015. The competition in which three universities took part, invited students to think about concepts for the citywide introduction of e-scooters. The emissions-free vehicles – many of which are equipped with Bosch electric motors – have been successful in China for many years alrea Among other things, the concept in Hanoi included suggestions for the introduction of charge spots, where vehicles could be charge with power from renewable sources. Bosch w invite the winning team to take part in a resea trip to Germany. In addition, students on the three teams will have the opportunity to supp the rollout of their idea during a six-month internship.



WORKING TO IMPROVE ROAD SAFETY

Each day, more than 3,000 people around the world die in traffic accidents. Especially in emerging countries, passengers and passers-by are in danger as a result of inadequately equipped vehicles. This is why Bosch supports the Global New Car Assess-

> ment Program's Stop the Crash" initiative. The campaign aims to raise awareness about safety systems such as ESP, emergency braking systems, and motorcycle ABS, especially in growth markets.



"Stop the Crash" supports the United Nations' aim

of halving the number of deaths resulting from traffic accidents by 2020. The figure currently stands at 1.25 million people per year.

Connected safety systems are also an increasingly common feature for two-wheelers. With its connectivity control unit (CCU), Bosch connects motorcycles to the Internet. This enables features such as the e-call, which the EU is making mandatory for newly registered passenger cars and light commercial vehicles from April 2018. If the motorcycle is involved in an accident, the e-call makes an automatic emergency phone call to a call center, and thus enables help to reach the scene faster. What is more, the CCU also provides motorcyclists with information on potential road hazards.

A SYSTEMATIC APPROACH TO SUSTAINABILITY

In order to continuously improve the ecofriendliness of our products, our Diesel Systems division uses the systematic "Design for Environment" (DfE) approach. It ensures that environmental requirements such as the efficient use of raw materials, low emissions, or the selection of eco-friendly materials are taken into account in the early stages of product development. In 2015, the approach was expanded to monitor and assess the environmental impact of a product throughout its life cycle. This includes the extraction of raw materials, production, distribution, use, and disposal. In addition to this, we carried out a pilot project that examined one of our products with the help of a hotspot analysis. This method makes it possible to evaluate the product life cycle and, in some instances, to compare it to that of earlier models. We also revise our DfE checklist – a tool that will help us to captur and improve the environmental performance of ou products even more systematically in the future.



Among other things, Design for Environment aims to reduce the use of critical substances, and to promote efficient resource consumption throughout the product life cycle.



Connected production: reducing energy costs

Bosch also offers sensors, software, and services for connected production, commonly referred to as Industry 4.0. In this area of application, the company launched the "Process Quality Manager" last year, a software solution that monitors and documents data from production processes in real time. As a leading user of cutting edge technologies, we are currently testing this and other solutions at our own plants. This has two distinct advantages: first, we are driving innovation in a technical field that contributes to maintaining the competitiveness of locations with high wage costs, among them Germany, the UK, and the United States. Second, by applying Industry 4.0 applications in our own processes, we are reducing our carbon footprint. The immediate analysis of production data helps us detect potential errors at an early stage and come up with countermeasures. This saves resources. At the same time, high-precision manufacturing reduces stocks and thus also energy and transport costs.



With more than one hundred Industry 4.0 projects, we are making our plants more resource-efficient, all the while making our expertise available on the market.



Associates

Networked across generations

At Bosch, different generations – from young apprentices to retired senior experts – are cooperating with one another. This type of diversity is a source of potential. While up-and-coming executives advise more experienced associates on the use of new software, for instance, they benefit from the management and specialist expertise of their older colleagues. With our diversity initiative, we have thus focused on intergenerational learning models and promoted an active exchange between young and old.



LEARNING FOR INDUSTRY 4.0

In September 2015, the Advanced Manufacturing Training Center (MTC) was opened in Coventry, England. At the center, experts from business and science focus on developing innovative production processes. In the future, Bosch apprentices will also receive training there, and learn about the requirements of Industry 4.0. An industrial partner to MTC, Bosch contributed to the center's cutting edge facilities, among other things.

WANTED: WOMEN ENGINEERS

By 2020, Bosch plans to increase its share of women executives to 20 percent. In order to achieve this goal, the company is committed to encouraging girls to take an interest in the technical professions. In Indonesia, for instance, short films on technology and live experiments sparked children's enthusiasm. In Austria, Girls' Day 2015 was geared toward girls between the ages of 11 and 16. At Bosch locations in Vienna, Hallein, and Linz, up-and-coming technical professionals helped install floor heating and operate a 3D printer, among other things.

In Germany, the Wissensfabrik ("Knowledge Factory") celebrated its tenth anniversary. Co-founded by Bosch, the non-profit initiative aims to support talented young people and promote interest in technology, business, and the natural sciences. Today, the network comprises 127 companies and corporate foundations, which cooperate with partners from universities to develop educational projects for young people and help young entrepreneurs get their start-ups off the ground. From the time the initiative was founded until it celebrated its anniversary in June 2015, it had supported 180 start-ups and 700,000 schoolchildren.



Bosch is committed to encouraging women to work in the technical professions, and to promoting equal opportunities when it comes to taking on management responsibilities.



AN ACCIDENT-FREE FUTURE

We are working to make Bosch an accident-free company in the future. This is why we have implemented an occupational safety management system based on the OHSAS 18001 standard at our locations around the world. Since then, our accident rates have fallen significantly. In 2015, there were 3.2 reportable work accidents for every million hours worked, down from 6.8 in 2007. This marked a 53 percent improvement.

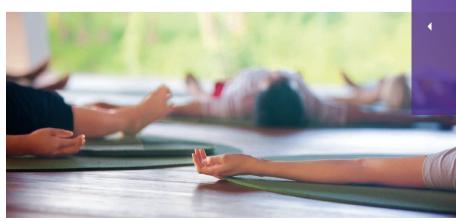
To reach our medium-term goal of 1.7 accidents per million hours worked by 2020, we are currently rolling out special occupational safety programs around the world. People@Industry 4.0 – under this heading, last year the Bosch plant in Blaichach actively addressed the changing working conditions that are emerging as a result of connected production. Associates there and at China's Suzhou production location already use tablets and analysis software to control high-tech facilities. Initial fears have now given way to a sense of pride among a majority of associates, as they feel they are contributing to shaping the future of work. Since the very beginning, cooperation and mutual learning have played an important role in the interdisciplinary, multigenerational team.



As a leading provider and a leading user of Industry 4.0 solutions, Bosch is actively driving the transformation of the working world, and thus also promoting sustainable industrialization.

In Blaichach and elsewhere, younger associates are generally more comfortable navigating the virtual world than their older colleagues. Bosch has already put this advantage to good use at several of its locations, effectively turning the conventional mentoring program on its head. With reverse mentoring, millennials teach their older colleagues from upper levels of management how to use internal and external social media. These include Twitter and Facebook, as well as virtual cooperation on the internal "Bosch Connect" platform. In addition to teaching older colleagues how to use modern communication channels, the reverse coaching sessions further strengthen diversity at Bosch. Junior associates learn to share knowledge and enjoy the appreciation of experienced executives. At the same time, older associates remain open for new perspectives and approaches to work.

In 2015, we also set ourselves the goal of supporting the further training of associates who have been on board for many years, with the aim of maintaining their level of performance. With this in mind, the "Erfahrung hat Zukunft" ("Experience is the future") initiative was launched in Germany. It aims to sensitize executives to demographic change, and to raise awareness about how important older associates' knowledge and motivation are for Bosch's success. Demographic change means that Europe's workforce



is aging. What is more, a growing share of our customers is over the age of 50. This means that companies like Bosch need associates who understand the needs of this group of customers, whose purchasing power is high.

One of the new initiative's main focal points is to expand educational programs for mixed-aged groups. With the support of our 50plus@Bosch associate network, the Generation Tandem initiative was recently launched. By way of random selection, two associates with an age difference of at least ten years are paired up. This type of networking gives colleagues the opportunity to share knowledge and experience, and to support each other in their daily work. After the initial six-month pilot project was launched at the Bosch site in Schwieberdingen, Germany, Bosch asked all of the tandem participants to share their views on their experience. 84 percent of respondents said they believed that Bosch would benefit from greater knowledge sharing between age groups. They listed positive effects such as knowledge transfer, a greater sensitivity to differences, and an increase in cross-generational cooperation. On the heels of this success story, Generation Tandem will now be rolled out at different locations around the world to promote more networking between young and old.



In line with the wishes of our company founder, Bosch promotes equal access to education and life-long learning – within and beyond the walls of the company.

A FOCUS ON HEALTH

On World Yoga Day on June 21, 2015, associates at the Bosch India location in Ahmedabad had the opportunity to focus on their own health. The location's HR department invited associates to a variety of events. For instance, associates were offered free medical check-ups and information on a broad range of topics, such as traffic safety and ways of preventing viral infections. Moreover,

> the canteen expanded its offering to include more healthy, lower calorie meal options. At a yoga workshop, associates found out how they could use traditional movement and breathing exercises to reduce stress and help prevent illness.



Society

Promoting social responsibility

The company founder Robert Bosch's efforts to help others went beyond the boundaries of the company. By promoting social responsibility, we are continuing his legacy. We support charitable projects and encourage our associates to volunteer. In challenging situations, one person's help can make a huge difference.

TO DESCRIPTION OF THE OWNER OF THE

Help where it is needed

Floods, earthquakes, and poverty – many parts of the world are gripped by crises, whether emergencies or protracted difficulties. As a company that believes social responsibility goes beyond our walls, we not only engage with long-term projects. We also get involved when support is urgently needed.

In autumn 2015, over 80,000 people, including 20 Bosch associates, were directly affected by the floods that devastated parts of the US state of South Carolina after torrential rains. Associates from all three Bosch sites across the state provided emergency aid for the cleanup operation, donating around 7,500 US dollars, which was then doubled by Bosch North America. Bosch's US foundation, the Bosch Community Fund, gave a further 50,000 US dollars to the Red Cross for the reconstruction effort.

In Greece, Bosch associates also rolled up their sleeves. At the Koropi factory near Athens, volunteers harvested olives from the site's numerous olive trees. The oil pressed from the olives was donated to 210 families that were struggling to make a living in the midst of a severe economic crisis. They also donated food and clothing for those in need.

Prosperity and knowledge are usually closely connected. In many poorer parts of the world, education is a rare commodity. With this

in mind, the Bosch China Charity Center (BCCC), a Bosch foundation that focuses on alleviating poverty through education, and the staterun China Development Research Foundation launched the "Village Kindergarten Project" in June 2015.

The project has already led to 54 playschools being opened in the rural region of Xinjiang Altay, where children aged between four and six can improve their language skills and develop their communicative and cognitive abilities. This is particularly important in multilingual regions like Altay, where children grow up with Chinese, Kazakh, and Uyghur. To make the most of the funding, our local partners have avoided building new structures and relied instead on existing infrastructure, like vacant classrooms or offices. The BCCC has allocated 2.3 million yuan (around 316,000 euros) in total to the project. The goal is to standardize pre-school learning and eventually enable over 90 percent of children in the region to attend playschool for three years.



By offering fast emergency assistance with no red tape, we are helping in the fight against global poverty.

Through the "Alianza para la Formación Profesional Dual", Bosch Spain is committed to supporting dual professional training



Around 5.5 million young Europeans are currently jobless. The unemployment rate among young people in southern Europe is alarmingly high. One of the main reasons for this is the limited time allocated to practical experience in the professional training system.

In Spain, those entering the job market spend only 25 percent of their training period in a company. As a result, they lack valuable on-the-job experience, which is crucial for recruiters.

In order to improve young people's employment prospects, Bosch Spain teamed up with other companies and organizations, including the Spanish Chamber of Trade and Industry and the Bertelsmann Foundation, to set up the "Alianza para la Formación Profesional Dual" in May 2015. Following the example of several central European

HELPING PEOPLE HELP THEMSELVES

The "Skills for Life Foundation" is aimed at young members of the hill tribes of northern Thailand. Funded by Bosch, the foundation offers them the opportunity to gain further qualifications after they have completed their nine years of mandatory schooling. The programs teach manual skills that give young people a chance at paid employment. Baking and cookery courses are particularly popular. Using cooking facilities donated by Bosch, the trainees showed off their skills at a big Christmas baking demonstration in December. The budding bakers took in around 4,000 euros from cookie sales. countries, we aim to set up a dual professional training system in Spain. The alliance can particularly benefit from Bosch's long history of providing training in Germany. Our next step will be to go into Spanish schools to inform students about training possibilities and create additional internships at the Bosch Car Service network of garages across the country.



Education offers the best chances for social inclusion and a life of dignity. That is why we strive to give people access to high-quality basic, professional, and further education – whatever their age.

What is just beginning in Spain is already up and running in Italy. With "Allenarsi per il Futuro" ("Training for the Future"), we give school and college graduates the chance of gaining practical work experience, from orientation events to internships and traineeships that systematically lead to a foothold in the workplace. As part of the project, Bosch Italy associates are visiting around 196 schools and universities to talk to pupils, trainees, and students. Sports stars such as footballer Daniele Massaro have gotten on board. Their message is that commitment, training, and focus are not only requirements in sport but also in preparing for the workplace. In 2016, Bosch Italy aims to reach 60,000 pupils through "Allenarsi per il Futuro". We also intend to award 400 internships.

Integration in practice

Millions of people are fleeing their homelands to escape war, persecution, and poverty. On arrival in their host countries, refugees face a range of new challenges, including a lack of basic necessities and the difficulty of coming to terms with an unfamiliar language and culture.

Associates at Bosch in Vienna launched an initiative in autumn 2015 to help refugees. Under the initiative entitled "Support vor Ort – Bosch-Mitarbeiter helfen" ("Local support – Bosch associates lend a hand"), 32 associates have agreed to sponsor 25 refugees from Syria and Afghanistan for a period of 18 months. Helping them with administrative procedures is one example of the quasi-daily support they provide, which aims to help the newcomers eventually live an independent life in Austria. The initiative is part of the "Connecting People" project, an association of various non-profit organizations.

In Germany, too, Bosch is committed to supporting the integration of refugees and facilitating their access to the labor market. To this end, we will create around 400 internships around Germany for refugees, ranging from short internships to several months of introductory job training. The internships are generally held in workshops and are designed to prepare the refugees for the German job market.



One of Bosch's stated objectives is to promote peaceful, integrated societies where the rule of law is upheld, as a basis for sustainable development. In November, four young refugees from Togo, Somalia, Iran, and Pakistan began their "Bosch training year". The training program, which is run at the Feuerbach location in Stuttgart, aims to help school leavers that have yet to finish their education land a job in the metalworking and electrical fields. They also receive professional education and are accompanied by social workers throughout. In this way, they gain practical experience at a company and both get to know people and Germany's work culture. At the end of the program, they have the possibility of joining Bosch as skilled workers.

The commitment of Bosch associates to the refugee cause is also strong. Two appeals for donations in December 2015 and January 2016 garnered over 400,000 euros, which Bosch increased to 820,000 euros. The money will be used for selected projects that lead to lasting improvements in refugees' living conditions.

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TOYS FOR SYRIA

children left the Bosch plant at the Stuttgart-Feuerbach location for the Turkish city of Adana, near the border with Syria. Two associates had called on their colleagues to donate diapers,

> toys, and children's clothes. The appeal was a huge success. In just three days, they collected 43 large boxes of donations for relief operations in Turkey.



2015 in review

January

Supporting volunteer work



In 2015, the "25x5000" initiative was launched at Bosch's Jihlava plant in the Czech Republic. The idea was to support associates volunteering for social initiatives with small cash donations. Bosch supported 25 projects with 5,000 Szech korunas (around 200 euros) each. Associates who did volunteer work or were planning an initiative in the areas of education, sports, social issues, or the environment were invited to apply for funding. In 2015, 50 Bosch associates at the location volunteered in their free time: for instance, they helped pre-school children develop their manual skills and promoted the social integration of children and youth with special needs.

February

Teaching technical skills



Bosch technology is often hidden in unexpected places, for instance in the system that heats the pitch at soccer stadiums. Sixth graders at a Belgian elementary school found out about this and many other things during a visit to Bosch Belgium subsidiary in Anderlecht. After touring different production and testing facilities, boys and girls had the opportunity to pull up their sleeves and get to work on their first masterpiece.

August

Fighting poverty



TECHO, a non-profit organization run by young people engaged in the fight against poverty in the slums of Central and South America, has been active for 20 years already. Young volunteers provide practical assistance in a number of areas, for instance by building wooden houses for people living in extreme poverty. Since 2015, they have received the support of Bosch Argentina. In a first step, the Power Tools division at the Buenos Aires plant provided the local chapter of the NGO with high-performance power tools. With the help of the company and volunteers, TECHO has been able to build 7,500 houses in Argentina so far.

September

Promoting sustainable ideas

For the third time, Bosch Malaysia invited students from universities and colleges around the country to take part in the "Innovation Around My Campus" competition. Up-andcoming technical professionals were asked to come up with ideas that would help make their sustainable. A team from the Technical University in Mara (UiTM) took first prize. The three electrical engineers developed a smart bracelet that is connected to the university's energy system. Among other things, it detects when rooms are empty and automatically turns off the lights and regulates the heaters. In addition to a cash prize, students were given the opportunity to oversee their concept's development and implementation over the course of an internship at Bosch Malaysia.

December

Promoting social responsibility



Suzhou, China, organized a charity hike for associates and their families at the nearby Jinji Lake. The idea was to encourage colleagues to interact with one another outside work and to donate to a good cause. The money collected went toward supporting young adults from socially disadvantaged families who wish to attend university. In total, donations amounted to about 1,000 euros.



Activities – an overview

Robert Bosch GmbH has been a member of the United Nations Global Compact since 2004, and is committed to this initiative's ten global principles in the areas of human rights, working standards, environmental protection, and the fight against corruption. The following table provides an overview of the progress made in the 2015 reporting period in relation to these ten principles of responsible corporate governance.

PRINCIPLE	BASIS/GOALS	ACTIONS	RESULTS
Human rights Principle 1: Support and respect human rights Principle 2: No complicity in human rights abuses 	Corporate objective: 1,000 supplier audits by the end of 2020 Code of Business Conduct Basic principles of social responsibility at Bosch Bosch purchasing guidelines	Supply chains: Conducting environmental and occupational safety audits and auditing supplier portfolios Bosch Global Supplier Award: Acknowledging the best suppliers Purchasing guidelines: Sanctioning suppliers	 • 471 audits conducted since 2010 • Bi-annual award; in 2015, 58 suppliers from 11 countries were honored. Some of the companies have received the award before • Suppliers have made improvements where needed. Until now, sustainability-related sanctions have not
	"We are Bosch" corporate guidelines	Sanctioning suppliers	been necessary
 Working standards Principle 3: Uphold freedom of association Principle 4: Elimination of all forms of forced and 	Corporate objective: Women to fill 20 percent of management positions by 2020 Bosch Human Resources System (BHS)	"Chefsache" initiative: Cooperation with other major German companies and organizations, Bosch is a founding member of the "Chefsache" initiative, which promotes equal opportunities for men and women	 Bosch is committed to social change and has experience in increasing the number of women in management positions Dialog events with senior executives are offered, as are mentoring programs and seminars In 2015, the share of female executives stood at 13.6 percent*
compulsory labor • Principle 5: Abolition of child labor • Principle 6: Elimination of discrimination	Guidelines for a flexible and family-friendly work culture "We are Bosch" corporate guidelines	Diversity management: Group-wide programs to promote diversity and attract the best staff have been continued and expanded	 In Germany, about one in four apprentices is female Second international "Bosch Diversity Day" in 2015 at more than 200 participating locations About 7,400 associates on short or long-term foreign assignment
		women@bosch: For 20 years, the associate network has been committed to strengthening the position of women at Bosch	• The network has about 3,000 members in 30 countries around the world
		Senior experts program: Former Bosch associates support the company as expert advisors after they retire, and thus continue to feel valued on a professional level	 Senior experts work around 50,000 days per year Number of retirees who work as senior experts: 1,700 Countries that provide senior experts: Brazil, Germany, the UK, India, Japan, and the United States
		Cultural consultants: Bosch associates advise colleagues who are going abroad for Bosch and act as experts for intercultural cooperation	• There are currently 200 active cultural consultants at Bosch
		Committed associates: Bosch associates founded Primavera e.V. in 1990. The aid organization aims to promote education for disadvantaged children in developing countries around the world	 Primavera celebrated its 25th anniversary in 2015 In 2015: 900 members, a donation volume of more than 600,000 euros, and 30 projects in 12 developing and emerging countries More than nine million euros in donations since the initiative was established
		Refugee integration: With a number of initiatives, Bosch is committed to supporting refugees. Among other things, the company is part of the "Wir zusammen" ("We are together") economic initiative that was launched in 2015 and aims to promote the integration of refugees	 Bosch associates donated more than 400,000 euros to help refugees, and Bosch doubled this sum to 820,000 euros, and invited associates to make suggestions on how the money should be used Around 400 internship spots for refugees at about 30 locations in Germany in cooperation with public institutions Over the course of the "local support" initiative, 32 Bosch associates in Austria now sponsor

refugees

PRINCIPLE	BASIS/GOALS	ACTIONS	RESULTS
 Working standards Principle 3: Uphold freedom of association Principle 4: Elimination of all forms of forced and 	Corporate objective: Women to fill 20 percent of management positions by 2020 Bosch Human Resources System (BHS)	Foundations around the world: The national companies are committed to social well-being in the regions, and there are four international Bosch Group foundations in Brazil, China, India, and the U.S.	• In 2015, the Bosch Group donated a total of 16.9 million euros
compulsory labor • Principle 5: Abolition of child labor	Guidelines for a flexible and family-friendly work culture "We are Bosch" corporate	Dual training: The Bosch training model has been established in more than 20 countries around the world	• Bosch has some 7,350 apprentices around the world of which about 2,450 are outside of Germany
• Principle 6: Elimination of discrimination	we are Bosch Corporate guidelines	Flexible working culture: A greater focus is being placed on results rather than on physical presence with benefits for families with young children	 Over 100 work-time models across hierarchical levels, including part-time work, telecommuting, and job-sharing Global guidelines for a flexible and family-oriented working culture Standardized rules with regard to telecommuting, as well as to personal use of e-mail, telephones, and Internet at work Bosch won the German XING social network's New Work Award 2016 for forward-looking work concepts
		Corporate health management: In cooperation with employee representatives, a corporate agreement was implemented to promote associates' mental health	 Bosch is especially committed to maintaining and promoting the mental health of its associates The new corporate agreement entered into force at all German locations on August 1, 2015
		Occupational safety: An occupational safety management system was introduced that is based on the global OHSAS 18001	 An occupational safety management system based on OSHSAS 18001 was implemented at all manufacturing locations, 122 are already externally certified In 2015, the number of reportable work accidents per million hours worked decreased to 3.2 (a 53 percent decrease over 2007)
		Supporting schoolchildren: Initiatives to spark children's interest in technology	 Girls' Days are organized each year. They provide around 1,000 schoolgirls insights into the global supplier of technology and services The "Building Mercury" competition in the Czech Republic helps make pupils familiar with technical topics As part of the Wissensfabrik initiative, Bosch participates in some 280 educational partnerships
		New training positions: Bosch helps to combat youth unemployment in southern Europe	 Bosch Italy is engaged in the "Allenarsi per il Futuro" ("Train for the future") program, which aims to improve job opportunities for young people Bosch Spain is part of the "Alianza para la FP Dual", a joint initiative of politics and business that promotes the introduction of cooperative education in Spain
		Specialist training program: Bosch provides training for associates without university degrees to qualify them for commercial tasks within the company that would normally be reserved for graduates	 Since 1999, 750 associates have completed the training program The program lasts two years and comprises 50 training days In 2016, Bosch has pledged to spend an additional 247 million euros on programs for further training
		Promoting innovative strength: Bosch provides platforms for good ideas with its internal suggestion scheme and the "Jugend forscht" annual competition in Baden-Württemberg, Germany, which the company organizes	 In total, about 22,000 associates submitted suggestions for improvement in Germany, which were rewarded with a total of 7.7 million euros Some 120 girls and boys took part in the "Jugend forscht" state competition in Stuttgart. 60 of 666 projects made it into the final

PRINCIPLE	BASIS/GOALS	ACTIONS	RESULTS
Environmental protection Principle 7: Precautionary environmental protection	Corporate objective: Cut relative CO ₂ emissions by 35 percent by 2020 over 2007 levels	CO₂ reduction: Targeted reduction of relative CO_2 emissions at production locations around the world	- Relative CO_2 emissions have been reduced by 29,7 percent over 2007
Principle 8: Initiatives to promote greater environmental responsibility	Guidelines for occupational safety and environmental protection	Sustainable products: Continuous investment in the further development of products that conserve resources and protect the environment	 Some 5,422 patents filed around the world In 2015, 53 percent of Group-wide R&D expenditure went toward sustainable products* Environmental/Safety portfolio accounts for about 40 percent of Group sales*
Principle 9: Development and distribution of environmentally-friendly technologies	Bosch Product Engineering System (BES) Bosch Production System (BPS)	ISO 14001: Bosch locations certified with this international environmental management system standard	Until now, all Bosch production locations have introduced the management system; 235, or 80 percent of locations, have received external certification
technologies	(b. 6) Design for Environment (DfE) "We are Bosch" corporate guidelines	Climate-friendly locations: Many locations have made progress with regard to climate protection thanks to energy-efficient technology	 Schwieberdingen: energy required for heating was reduced by 40 percent, and CO₂ emissions by 21 percent – and this despite a 15 percent increase in surface area By recovering copper from industrial waste, Bosch Australia was able to reduce the amount of waste generated monthly by 31 percent. In October 2015, the company won the Premier's Sustainability Award
		eXchange: Used starters and generators are refurbished and made as good as new	 Raw materials consumption reduced by almost 90 percent, and CO₂ savings of more than 50 percent compared with new products As a result of eXchange, more than two million diesel injection pumps have been refurbished at Bosch's Jihlava plant in the Czech Republic since 1996
		BIK initiative: Development aid for greater energy efficiency: a joint project of Bosch Corporate Logistics, the International Trade Centre, and the Karlsruhe Institute of Technology	 The BIK initiative teaches lean management methods to small and mid-sized companies in Africa Participating companies increased their productivity by as much as 100 percent
		Two environmental awards: Associates developed an innovative gasoline pump and wrote a specialist article about the impact of dual fuel technology on global warming	 With the pump's help, fuel consumption can be reduced by up to 7.0 percent Two Bosch teams in Brazil received the AEA Environment award for the pump's development and the specialist article
		Expanding the environmental portfolio: A new Bosch Thermotechnology R&D center is being built in Aveiro, Portugal	• In 2015, the foundation stone was laid for the research center, which will focus on connectivity, low emissions, and energy efficiency
Fighting corruption Principle 10: Work against corruption	Member of Transparency International e.V. (since 1995) Member of the Forum for Compliance & Integrity (since 2007) Code of Business Conduct	Whistleblower portal: A portal in which all parties can report breaches of compliance (observance of legal and internal regulations in business activities)	• Associates (including interns and PhD students), external service providers, business parties, business partners (e.g. suppliers, customers, or cooperation partners) and third parties can report breaches of compliance
		Compliance training: Active promotion of knowledge	 Mandatory compliance training includes lessons on business ethics, product liability, anti-trust laws, and export controls
	"We are Bosch" corporate guidelines		

* excluding BSH Hausgeräte and AS

Further key principles for sustainable activities in the Bosch Group: In 2010, an office, expert committee, and steering committee were founded. These bodies have since been responsible for the efficient implementation of all of the Group's sustainability-related activities.

Scope of reporting: The scope of the information is indicated in the texts, key figures, and targets. This report presents a summary of the Bosch Group's current sustainability-related activities across sectors and divisions. Following their acquisition, these now also include BSH Bosch und Siemens Hausgeräte GmbH (now BSH Hausgeräte GmbH) and ZF Lenksysteme GmbH (now Robert Bosch Automotive Steering GmbH), both of which were previously joint ventures. It therefore serves as a progress report as part of the group's membership of the UN Global Compact.

Reporting period: The reporting period covers January 2015 to spring 2016. The cut-off date for key figures is December 31, 2015. The editorial deadline was April 1, 2016. Memberships (examples): B.A.U.M. (1990), Transparency International (1995), econsense (2000, founding member), United Nations Global Compact (2004), Global Reporting Initiative (2006, organizational stakeholder), Forum Compliance & Integrity (2007)

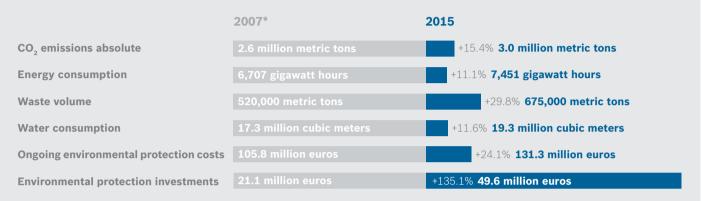
Other sustainability reports: WIN-Charta Baden-Württemberg (2014), German Sustainability Code (2015)

Key figures 2015

Following the acquisition of the remaining shares in BSH Hausgeräte and Robert Bosch Automotive Steering (AS), the companies were fully consolidated. In 2014, both companies were still joint ventures, and shares were consolidated at equity.

Environment

Note: as a result of the above-mentioned change in the consolidated group, Bosch emissions, energy, and waste figures increased. However, these values should be considered in relation to sales volumes, which increased 70 percent in the same time period, based on comparable data.



Products Environmental/Safety portfolio*

41% Share of Group sales



VOLUNTARY RESIGNATION*

5.7%

+21.3% versus 2007

-10.4% versus 200

34,437

DAYS LOST

Associates



2,126 -28.2% versus 2007

2007	2015
Training days	+32.8% 773,000 days
Training participants	+24.9% 516,000 participants
Training expenditure	+12.3% 247 million euros
* excluding BSH Hausgeräte and AS	

Society

BOSCH GROUP DONATIONS TO CHARITABLE CAUSES

16.9

REGIONAL COMMITMENT

Bosch Community F	und
(Farmington Hills, US	ŝA)

Bosch China Charity Center (Shanghai, China)

Instituto Robert Bosch

1.0 million euros

3.1 million euros

2.0 million euros

Bosch India Foundation (Bangalore, India)

1.0 million euros

SPONSORSHIP VOLUME OF ROBERT BOSCH STIFTUNG GMBH

76.7 MILLION EUROS for



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