Sustainability Report 2013

Bosch Group

BOSCH

Invented for life

NOW is the time to take action for sustainability.

In 2013,

... global energy demand continued to rise. It is estimated that it will increase by a third between 2011 and 2035.

... the world's population produced more than 3.5 million metric tons of waste every day. This is enough to fill a convoy of garbage trucks that is several thousand kilometers long.

... young people were more than twice as likely to be affected by unemployment as older employees.

You can read about how Bosch is meeting these and other current challenges in the 2013 sustainability report.

Great Missenden, U.K.
51° 42' N, 0° 42' W
Shaping the future – Working toward the best training, **p. 15**

Stuttgart, Germany
48° 47' N, 9° 11' E
Promoting diversity – How Bosch is supporting international exchange, **p. 12**

Wuxi, China
31° 29' N, 120° 18' E
Conserving resources – A plant that no longer produces wastewater, **p. 6**

Serenbe, U.S.
33° 30' N, 84° 43' W
Using energy efficiently – This house helps its residents save money, **p. 9**

Dear readers,

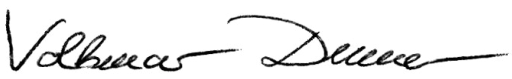
The title of our current sustainability report is “Now.” On the pages that follow, we will show you what Bosch associates around the world are doing to help achieve our ambitious sustainability targets. As a member of the United Nations Global Compact, we are also committed to the ten principles of responsible corporate governance. At the end of this report, you will find a concise summary of the progress we made in 2013 toward protecting the environment, upholding human rights, maintaining working standards, and preventing corruption.

All over the world, we are developing technologies “Invented for Life” every day. This also means that we pay attention to the environmental impact of our products, just as we have always done. Our engineers are thus constantly working to reduce the energy consumption of our efficient heating and household appliances, for instance. Using micromechanical sensors, our international teams of experts are paving the way to smart buildings that will regulate their own energy requirements. Today, we generate close to 40 percent of our global sales with eco-friendly and energy-efficient solutions.

At Bosch, developing eco-friendly products also means keeping a close eye on our own consumption of resources. By 2020, we are committed to achieving a 20 percent reduction in the carbon dioxide emissions of our locations over the 2007 levels, relative to value added. We have already achieved a relative reduction of 16 percent. We are also steadily reducing our water consumption and waste volumes. We learn from our day-to-day experience. To ensure that good ideas spread quickly, we encourage knowledge sharing in the international “Bosch Connect” network. Something that proves useful in England today could be put into practice in Brazil or France tomorrow.

To secure our company’s lasting success, we need teams and associates who feel responsible for a common goal, and who are open to change and innovative ideas. In the context of sustainability, “now” also means that the right strategy is not the only determinant of our success. Rather, success is reflected in our daily practices and achievements. Thank you for your interest.

Sincerely,



Dr. Volkmar Denner
Chairman of the board of management of Robert Bosch GmbH

Further information about sustainability activities at Bosch and our sustainability blog can be found here

Bosch company profile

Who we are

The Bosch Group is a leading global supplier of technology and services. It comprises Robert Bosch GmbH and its roughly 360 subsidiaries and regional companies in some 50 countries. The company is divided into four business sectors: Automotive Technology, Industrial Technology, Consumer Goods, and Energy and Building Technology. In fiscal 2013, the Bosch Group generated sales of 46.1 billion euros.

92 percent of the share capital of Robert Bosch GmbH is held by Robert Bosch Stiftung GmbH, a charitable foundation. The majority of voting rights are held by Robert Bosch Industrietreuhand KG, an industrial trust. The special ownership structure of Robert Bosch GmbH guarantees the entrepreneurial freedom of the Bosch Group, making it possible for the company to plan over the long term and to undertake significant up-front investments in the safeguarding of its future.

What drives us

The aim of the Bosch Group is to improve the quality of people's lives by developing innovative, beneficial, and eco-friendly products and services. In other words, technologies "Invented for Life." To achieve this goal, we rely on committed and responsible associates. Around the world, 281,000 people contribute their expertise to the success of the Bosch Group. With over 100 different work time models, international exchange programs, and opportunities for lifelong learning, we aim to encourage associates to perform to the best of their ability.

True to the tradition of company founder Robert Bosch, we strongly believe that we can only secure our lasting success in a socially and ecologically sound environment. Doing business in a sustainable manner is therefore an integral part of our corporate strategy. In addition to protecting the environment and the climate, and to conserving resources, this also involves supporting social projects close to our locations. One of the major focal points of our charitable activities is implementing education projects and supporting young scientific talent.

More information on the company can be found here

More information on the Robert Bosch Stiftung can be found here

Looking back at 2013/2014

January

75 years of promoting young talent Since 1938, Bosch-Jugendhilfe has been helping associates and their children realize their professional ambitions. Scholarship recipients receive financial support and also have the opportunity to meet other current and former program participants. Funding is provided for study and training courses at accredited universities and colleges.

More information on Bosch-Jugendhilfe can be found here

May

Bosch supports victims of natural disasters In Germany, Bosch associates helped clean up flood regions last spring. The company itself supported aid organizations at affected locations and donated heating systems, for example. People in the Philippines also needed support. Primavera, the organization that is run by Bosch associates, provided initial assistance on the ground. With the support of the company, they also funded the rebuilding of schools and multipurpose centers on the islands of Cebu and Leyte.

More information on the Primavera e.V. aid organization can be found here

June

Number one for diversity Equal opportunities, flexible working conditions, and international projects – Bosch enjoys an excellent reputation among people starting their careers. In June, this image earned the company the German Diversity Prize, awarded by Wirtschaftswoche magazine and the management consultancy McKinsey. The winner in the "Best diversity image" category is determined using a representative market research study, which this year included some 30,000 graduates and employees.

More information on the German Diversity Prize can be found here

November

Networked principality Monaco is using new Bosch technologies to network its municipal infrastructure and various services with each other. This has enabled residents to receive information about municipal services such as bus networks or garbage collection online and in real time. They can thus react to the traffic situation or potential service disruptions, for example. The partners aim to make Monaco a role model for the networked city of the future.

More information about the collaboration can be found here

2014 March

CSR award for Bosch Netherlands The MVO Award Weerterland 2014/2015 has been awarded to Robert Bosch Packaging Technology B.V. in Weert, Netherlands. The prize recognizes companies for outstanding work in the field of corporate social responsibility. The honor highlighted the Bosch site's health management activities, various cooperation programs with schools, and its newly introduced energy-saving measures.

More information about the award can be found in English and Dutch here

Environment

Conserving resources as a central task

Today, each person consumes an average of about ten metric tons of raw materials per year – and this figure is rising rapidly. If the impact of this consumption on the environment is to be reduced, significant improvements in resource management must be made. For forward-looking companies like Bosch, the sustainable use of resources and intelligent recycling concepts are decisive.

The technology company relies on a number of resources every day at its locations across the globe. While energy and water are particularly important, metals and ores are also essential. The efficient use of raw materials is not only a social obligation for Bosch, it is also an economic necessity and makes a lasting contribution to securing the company's competitiveness. To conserve resources worldwide, Bosch is currently focusing its attention on water and waste. The company has been recording detailed figures since 2003 and aims to make exemplary water and waste management projects accessible to its locations around the world.

Wastewater-free production

Water scarcity and pollution are among the greatest ecological challenges that China faces. Bosch Automotive Diesel Systems in Wuxi contributes to protecting the local environment and conserving resources in a targeted manner. In 2013, the plant built a facility that can treat up to 50,000 liters of industrial wastewater per day. To date, the Wuxi plant has treated approximately eleven million liters of wastewater. The location aims to use water according to the "zero discharge" principle, meaning no disposal. This involves treating and reusing the process water in a closed loop instead of releasing it into the environment.

Wuxi, China
31° 29' N, 120° 18' E

Key data 2013

Relative CO_2 emissions: 16 percent decrease*

Energy consumption: 8.3 percent decrease*

Water consumption: 12.6 percent decrease*

Wastewater: 3.8 percent decrease*

Expenditure on environmental protection: 61.0 percent increase*

*compared with 2007 levels

Bosch UK is recycling old Worcester boilers. The plastic that is obtained is used to make garden sheds.

More information on environmental and climate protection at Bosch can be found here

Reduced fresh-water consumption

Bosch is also committed to intelligent water management in Korea. Take Daejeon, for example, a Robert Bosch Korea Ltd. location. In the past, more than 2,600 liters of fresh-water were required every day to grind and polish work pieces during the welding process, and to keep them free of foreign objects. To reduce the consumption of resources, the location made major improvements to the entire process in 2013. The water required for grinding is now collected in a circulation tank and reused. This saves the location some 60,000 euros per year – and reduces its fresh-water consumption to 50 liters a day.

From boiler to garden shed

Recycle raw materials and eliminate waste – this is the goal of the “Zero to landfill” program at Bosch Thermotechnology in Worcester, U.K. The location takes back old boilers and recycles them at its own waste collection and treatment site. Separating the individual fractions recovers approximately one metric ton of plastic per week. Once it has been shredded and granulated, it can be used in the manufacture of garden sheds for a community project, for instance. Each shed consists of approximately one metric ton of recycled material.

Environment

Project portfolio

More information about current sustainability projects by Bosch in India can be found here

Naganathapura, India, 12° 52' N, 77° 39' E

Multi-use, not single-use Bosch is saving tons of packaging material at its location in Naganathapura, India, thus conserving resources such as water and wood. Until 2013, the plant used corrugated cardboard boxes to safely transport starters and alternators. This disposable packaging has now been replaced by reusable plastic boxes for deliveries to 15 customers. This procedure has already saved the location more than 69 metric tons of corrugated cardboard boxes and 10,350 wooden pallets.

Glenrothes, U.K., 56° 12' N, 3° 9' W

Intelligent combination To heat its premises more efficiently, Bosch Rexroth in Glenrothes, Scotland, switched to combined heat and power in 2013. The plant manufactures hydraulic motors for forklifts and mini-excavators, among other things, and had previously used gas-fired heating appliances and boilers that were about 20 years old. The combined generation of electricity and heat in three state-of-the-art facilities now ensures an optimized energy yield and improves the company's carbon footprint. The location has reduced its CO_2 emissions by 30 percent and is thus helping achieve the Bosch climate protection target.

More information about Bosch Rexroth's activities in the United Kingdom can be found here

More information on the competition can be found here

Vénissieux, France, 45° 41' N, 4° 53' E

Eco-friendly on the move Hundreds of Bosch associates in the Rhône-Alpes region commute to their workplace in Vénissieux near Lyon every day – many of them by car. But things were different on June 6, 2013. That day, more than 290 associates used alternative means of transport when they took part in the regional "Challenge Mobilité" competition. They covered a total of 648 kilometers by bicycle alone, and their efforts paid off. The location took second place in the competition, and the campaign saved 1,043 kilograms of CO_2.

Products

Automatically saving energy

By 2015, over six billion devices will be connected to the Internet, including intelligent heating systems that regulate themselves and use local weather data to assess their energy needs. This can help save energy and contribute to reducing CO_2 emissions, which have an impact on the climate. Bosch already provides connected building technology that can be used to realize affordable energy-plus houses.

The future of living can be seen in Serenbe, which is located south of Atlanta in the United States. The community is already considered a pioneer of sustainable living and lifestyle concepts, and Bosch opened its first North American Experience Center there in May 2013. The systems on show here include the “Net Zero” system – a combination of highly efficient household appliances and heating systems that are designed to use solar and geothermal energy. These technologies ensure that the residents of the neighboring Net Zero Home can generally meet all of their electricity and heating requirements from renewable sources. The Bosch geothermal heat pump, which was awarded the prestigious Energy Star once again in 2013 for being the most efficient in its class, plays a significant role in achieving this energy balance. It uses the constant ground temperature to cool the house in summer and heat it in winter. The Experience Center gives both specialist visitors and house owners an opportunity to see for themselves how geothermal systems and other Bosch Group products work.

Serenbe, U.S.
33° 30' N, 84° 43' W

Key data 2013*

Bosch Thermotechnology sales — **3.1 billion euros**

Share of sales from systems that exploit renewable sources of energy — **13 percent**

Research and development expenditure — **129 million euros**

Number of connected products sold — **over 25,000**

CO_2 reduction from the Logapower FC10 fuel cell system — **50 percent**

*Bosch Thermotechnology

More information about our energy-efficient products can be found here

Significant savings at a low cost

Zero-energy houses are still few and far between. In Germany, for example, 75 percent of properties were built before 1979, and therefore fall well short of today's energy standards. This is where the E-MonAut project comes in. It is a joint project between Bosch Thermotechnology, the Fraunhofer Institute of Optronics, System Technologies and Image Exploitation, the University of Karlsruhe, and Stuttgart University of Applied Sciences. Using the example of an 18th century commercial and residential building built in Stuttgart, Germany, the project partners are highlighting ways of reducing energy consumption and CO_2 emissions as much as possible at a low cost. Operating heating and ventilation systems only when they are actually needed is decisive. To this end, Bosch has installed a sensor-based automation system. These sensors measure temperature, humidity, and the presence of people, for example – information that can be used to control the heating system online. Once the heating data has been evaluated, it is made available to the residents. They are thus able to understand the effects of their heating habits and can find out how much money they can save.

Heating goes online

The example from Stuttgart shows that the intelligent control of household appliances and heating and ventilation systems has major potential. Humidity and heating can be automatically regulated using micromechanical sensors such as the Sensortec BME280, which Bosch developed in 2013. The heating appliances themselves are also getting smarter. Last year, Bosch launched three Internet-enabled oil- and gas-fired condensing boilers under the Buderus brand. Customers can use an app on their smartphone or tablet to control their heating even when they are not at home. This makes it possible for them to react to a change in weather conditions, for instance.

Products

Project portfolio

More information about the fuel cell can be found in German here

Weinstadt, Germany, 48° 48' N, 9° 21' E

Compact power cell Bosch Thermotechnology's power-generating heating systems make generating your own electricity and heat possible. The systems produce electricity using a highly-efficient, ceramic solid oxide fuel cell. The integrated gas condensing boiler provides heat. Additional components include hot water storage and a storage tank that absorbs waste heat from the electricity generation process. The power facility that Bosch Thermotechnology will be testing in a field trial beginning in 2014 will make property owners less dependent on energy suppliers and rising energy prices.

Coimbatore, India, 11° 05' N, 76° 59' E

Indian solar power In Coimbatore, India, the sun shines around 300 days a year. The Bosch plant there now makes the best of this: a photovoltaic system was installed on its roof in the fall of 2013. This makes Bosch one of the first companies to commit to the increased use of solar energy that India's national energy campaign promotes. The system currently achieves a capacity of 140 kilowatts, and meets 4.5 percent of energy requirements. In 2013, the location saved 216 metric tons of CO_2.

More information about Bosch's sustainability activities in India can be found here

More information about Bosch Thermotechnology's efficient heating technology in France can be found here

Drancy, France, 48° 55' N, 2° 26' E

Efficient heating hybrid Bosch France aims to promote the replacement of outdated boilers in single-family homes with the Bosch e.l.m. leblanc brand's "Mégalis Condens Hybride" hybrid condensing boiler. The device combines a conventional gas boiler with an air-water heat pump that draws warmth from the surrounding air. Depending on heating requirements, the system can operate either in full heat pump mode or with the additional boiler. It reduces energy consumption by approximately 13 percent compared to a new condensing boiler.

Associates

A team without borders

As a global player, Bosch is active in 150 countries and employs associates from all over the world. People of 112 different nationalities are working in Germany alone, where Bosch was founded. This cultural diversity is one of the reasons behind the company's major innovative strength. After all, teams with a range of different experiences and backgrounds are more likely to come up with creative solutions and unique ideas. For Bosch, it is thus important that associates are fully prepared to work in international teams from the outset.

The customer service department in Worcester, U.K., receives a query that no one in the team can answer. The service manager therefore posts the query in Bosch Connect for colleagues in other countries. Just a few hours later, 13 useful tips have appeared online. The new social business platform was launched in September 2013 to connect 220,000 Bosch associates around the world. And it makes their work easier. International teams can use the platform to post and edit their meeting documents, pass on questions in expert forums, or form interest groups. The many associate networks that had developed over the years also benefit. One of these is "Abroad and back for Bosch," which includes over 200 associates from 25 countries. In addition to regular meetings, the site provides them with an informal and far-reaching setting in which they can discuss their experiences in another country, talk to like-minded people, and answer everyday questions.

Overcoming international borders

The Bosch Connect virtual platform is yet another milestone on the road to networking associates in a way that extends beyond cultural boundaries. It makes sharing easier and therefore provides motivation to overcome

Great Missenden, U.K.
51° 42' N, 0° 42' W

language barriers and meet cultural differences with openness – both among co-workers and in cross-border cooperation. Development and production teams in particular are already working in global networks. International engineers share knowledge with their colleagues at other locations, and plants come together to form manufacturing networks. The Nuremberg location, for example, is the German lead plant in a network with twelve other locations that manufacture the same product. The plants share both best practices and knowledge with one another and develop joint improvement strategies.

Sharing knowledge

Each year, Bosch also enables around 2,900 associates to spend a year or more outside their home countries. The benefits are obvious: people who work in another culture develop intercultural skills that make it easier for them to interact with colleagues and customers from other countries. This skill is crucial for the success of a company such as Bosch, which generates 77 percent of its sales outside of Germany. It therefore prepares the expatriates in a targeted way. They not only learn the language, they also have intercultural training that focuses on the values and mind-sets of people in the countries they are going to. Furthermore, colleagues on international assignment have local support while they are working abroad. Upon their return, German associates have the option of qualifying as cultural consultants. This position enables them to assist in preparation courses and help co-workers who are planning to go abroad. Other departments can also call upon the services of cultural consultants as contacts and seminar speakers for matters concerning working in international teams.

More information on our diversity management measures can be found here

Key data 2013

Share of local executives in top management positions at Bosch locations worldwide	80 to 90 percent
Total number of associates working for Bosch outside of their home countries	6,000
Associates in Germany who share their expertise as cultural consultants	250
Number of associate networks that actively support cultural diversity	4

Associates

Project portfolio

More information about intercultural associate networks can be found here

Stuttgart, Germany, 48° 47' N, 9° 11' E

Orientation for everyone The Turkish Forum and Cam@Bosch associate networks hold Orientation Days on a regular basis to support young people from different cultures as they start their careers. These events allow school and university students to talk about their options for joining Bosch with executives from various divisions, and to discuss how their professional development at the company might progress. Some 45 young people attended the Orientation Day in December 2013.

Campinas, Brazil, 22° 55' S, 47° 4' W

Training for world champions Henrique da Silva Santana is a world champion. He is an apprentice at the Bosch location in Campinas, Brazil, and won a gold medal in manufacturing technology at the 2013 WorldSkills competition in Leipzig. The event saw over 1,000 apprentices compete against each other in various professional disciplines. The students from the Bosch Engineering Technical School in Brazil regularly perform exceptionally well in competitions. Some 1,365 young people have been trained there since 1960, and over 90 percent of them then went on to gain a permanent position with Bosch.

More information about the WorldSkills competition can be found here

More information on equal opportunities at Bosch can be found here

Farmington Hills, U.S., 42° 29' N, 83° 23' W

Network for diversity Dino Candela, an engineer at Bosch USA and father of three daughters, promotes equal opportunities through his position on the board of Women@Bosch. The aims of the associate network include raising colleagues' awareness of gender diversity through mentoring and training events, and highlighting different career paths. Both men and women are welcome to take an active role in the network. On September 25, the first Women@Bosch executive breakfast took place in Farmington Hills. Over 75 associates received career advice from Bosch managers at the event.

Society

Prospects for career starters

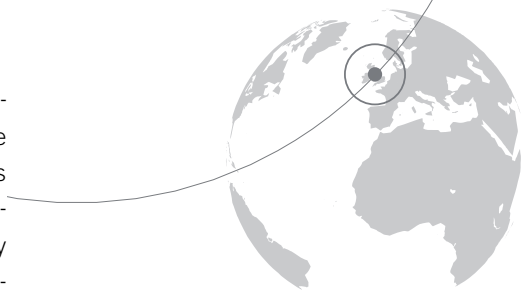
The recent period of poor global economic growth has hit young people especially hard. According to International Labour Organization (ILO) figures, around 74.5 million men and women under the age of 25 were unemployed in 2013. This equated to a global youth unemployment rate of over 13 percent – a rate that is still rising. For this reason, the UN organization has been promoting increased investment in education and training for many years. Against this backdrop, Bosch launched various activities once again in 2013 to enable high school graduates to gain qualifications for the start of their working lives.

The 60 students in the gym of Misbourne School in England clap enthusiastically as a loud bang is heard. A Bosch associate has just used two parabolic mirrors to demonstrate how sunlight can be harnessed and turned into energy. The demonstration is part of the annual "All Around You Roadshow," a program that involves Bosch UK associates visiting schools near their sites. The aim is to bring technology to life, and thus encourage interest among 13- to 16-year-olds in promising engineering careers and dual education at Bosch.

Training more than needed

The dual education model supplements learning in vocational college with practical training at a company. Apprentices thus not only benefit from the expertise of experienced colleagues, they also learn how to work in a team from the very beginning. This is one of the reasons why this German training model has proven to be such an international success. So far, Bosch has provided around 100,000 young people in 20 countries with the qualifications they need to begin their working lives. For the company, which celebrated the 100th anniversary of its first apprentice workshop in 2013,

the reasoning behind this is simple: well-trained associates around the world ensure the high quality standard of Bosch products and thus contribute to the company's competitiveness. At the same time, the company demonstrates a good sense of corporate citizenship by training more apprentices than it needs itself, as good qualifications provide better protection from unemployment.



Worcester, U.K.
52° 11' N, 2° 13' W

Supporting southern Europe

In view of the high level of youth unemployment in some southern European countries, Bosch launched a new training initiative in November 2013. The company is offering one hundred additional vocational training positions – half of which are in Italy, Portugal, and Spain. The other 50 spots are for Spanish applicants who will complete their training in Germany. Bosch is also helping the young career starters feel comfortable in their new surroundings quickly. They will first take part in a three-month language course in their home country. During their three-year stay in Germany, the Spanish apprentices will also have the support of an intercultural mentor. This person will help the new arrivals with everyday matters, such as finding an apartment and registering with the authorities, and will also answer questions about life in Germany. For a four-year period, around 7.5 million euros have been earmarked for the initiative.

Bosch foundations committed to education

In addition, Bosch uses its own foundations in Brazil, China, India, and the United States to provide free education and vocational courses for people from socially deprived backgrounds. The organizations work independently of each other, but share a common goal – enabling people to escape poverty through education. The Bosch China Charity Center (BCCC), for example, will conduct approximately 40 projects between 2013 and 2016 to provide financial support for education establishments as well as for school and university students. One of the first large-scale foundation projects is the construction of a school canteen in the western province of Ningxia in China. Since October 2013, around 1,000 teachers and pupils have been able to eat their lunches there. In cooperation with the local government, the Bosch China Charity Center has thus made a major contribution to improving learning conditions in the poverty-stricken province.

More information on our social involvement can be found here

Key data 2013

Apprentices worldwide (as of January 2014)	**over 6,100**
Share of women in the 2013 annual intake of apprentices in Germany	**24 percent**
Bosch Group charitable donations	**13.6 million euros**
Sponsorship volume of Robert Bosch Stiftung GmbH	**69.5 million euros**

Society

Project portfolio

More information in Polish about the Bosch Inventor Academy can be found here

Warsaw, Poland, 52° 13' N, 21° 2' E

Platform for young inventors How do the aerodynamics of a Formula 1 car and those of an ordinary sports car differ from one another? This was one of many interesting questions that schoolchildren investigated at the latest Robert Bosch Inventor Academy in Poland in 2013. Launched in 2011, the event gives young people aged 14 to 16 the opportunity to enter their own inventions in a competition. Prototypes of the 20 most original ideas are produced.

Denham, U.K., 51° 35' N, 0° 29' W

New talent for mathematical and scientific subjects Recruiting young engineers is a major part of Bosch UK's sustainability program. In 2013, engineers from Bosch Lawn & Garden in Stowmarket were active as "STEM ambassadors" (science, technology, engineering, maths). In cooperation with local schools, they organized various projects to support young people and encourage their interest in mathematical and scientific subjects. For example, Bosch associates helped pupils prepare for their secondary school exams and gave presentations about promising fields of work.

More information about Bosch STEM ambassadors can be found here

More information about Bosch's sustainability activities in Australia can be found here

Clayton, Australia, 37° 55' S, 145° 8' E

Soft skills for young career starters At 17.8 percent, Australia recorded an exceptionally high level of youth unemployment in 2013. Bosch is using several strategies to improve young people's chances on the job market. Bosch associates in Clayton, for example, work with a local school to provide training courses on subjects related to job preparation. These include learning how to work in a team and dealing with feedback in a productive manner. The workshops are part of the Employee Volunteering Program, which gives each associate one working day per year to take part in social projects. More than 80 associates took advantage of this offer in 2013.

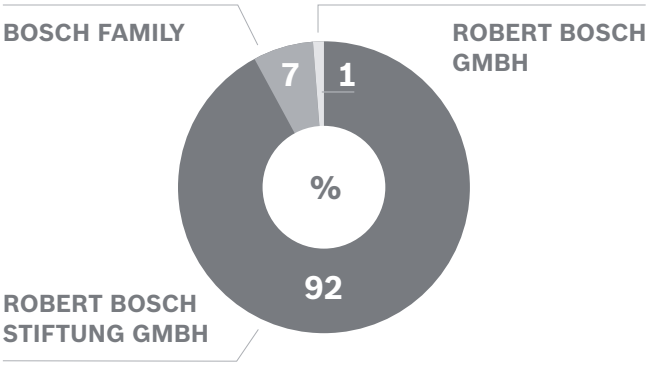
Key figures 2013

Financial figures

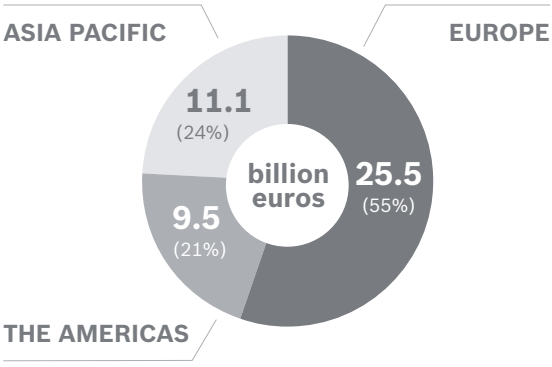
SALES	**46.1**	**billion euros** (3.1% year-on-year increase)*
R&D EXPENDITURE	**4.5**	**billion euros** (2.3% year-on-year increase)*
EARNINGS AFTER TAX	**1.3**	**billion euros** (45.7% year-on-year decrease)*
INVESTMENTS IN FIXED ASSETS	**2.5**	**billion euros** (6.4% year-on-year decrease)*
PERSONNEL EXPENSES	**14.9**	**billion euros** (5.0% year-on-year increase)

*figures after adjustment due to changed accounting and evaluation methods

Shareholder structure



Sales revenue by region



Environment

CORPORATE TARGET	**20%**	**reduction of CO_2 emissions (relative) by 2020 over 2007 levels**
STATUS OF TARGET IN 2013	**16%**	**reduction of CO_2 emissions over 2007 levels**

CO_2 emissions (absolute)	**2.5** million metric tons (2.0% lower than 2007 levels)
Annual energy consumption	**6.2** million megawatt hours (8.3% lower than 2007 levels)
Annual waste volume	**0.5** million metric tons (12.6% lower than 2007 levels)
Annual water consumption	**16.6** million cubic meters (3.8% lower than 2007 levels)
Environmental protection investments	**34.0** million euros (61.0% more than in 2007)
Ongoing environmental protection costs	**94.1** million euros (11.1% lower than 2007 levels)

Products and Supply Chain

CORPORATE TARGET — **310** environmental and social audits of suppliers by the end of 2014

STATUS OF TARGET IN 2013 — **260** (since 2011)

Patent applications — **4,964**

Environmental/Safety portfolio:
Share of Group sales — **37**%
Share of R&D expenditure — **48**%

Associates

CORPORATE TARGET — **20**% female executives by 2020

TARGET STATUS IN 2013 — **12.2**%

Labor turnover rate 2013 — **4.6%** (2.1% decrease over 2007)
Training days — **628,000** (7.9% increase over 2007)
Training participants — **461,000** (11.6% increase over 2007)
Training expenditure 2013 — **185** million euros (15.9% decrease over 2007)
Number of associates — **281,381***

CORPORATE TARGET — **3** accidents per million hours worked by 2020

TARGET STATUS IN 2013 — **3.6** (48% decrease over 2007)

Days lost — **27,164** (29.3% decrease over 2007)
Number of accidents — **1,787** (39.6% decrease over 2007)

* no comparison with previous years possible due to first-time consolidation of the financial data

Society

Bosch Group donations to charitable causes — **13.6** million euros
Sponsorship volume of Robert Bosch Stiftung GmbH — **69.5** million euros for **800** projects

Regional involvement:
Bosch India Foundation — approx. **0.4** million euros annually, around **160** projects since foundation in 2008
Instituto Robert Bosch — approx. **1.0** million euros annually; founded in 1971
Bosch Community Fund — up to **3** million euros annually, **90** projects since foundation in 2012
Bosch China Charity Center — **3.7** million euros since foundation in 2011

Communication on progress

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 2013 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:** 310 supplier audits by the end of 2014 Code of Business Conduct Basic principles of social responsibility at Bosch Bosch purchasing guidelines	**Auditing suppliers** on social and environmental issues **Acknowledging** the best suppliers with the Bosch Global Supplier Award **Sanctioning** suppliers	• Target of 240 audits by the end of 2013 achieved – approximately 260 audits conducted so far • Since 2010, 86 percent of the supplier audits planned by 2014 have been conducted • Awards for 38 suppliers from nine countries • Prize awarded for the first time in the "Innovation" category Suppliers are putting advice on improvements into practice; sanctions have not been necessary so far
Working standards • Principle 3: Uphold freedom of association • Principle 4: Elimination of all forms of forced and compulsory labor • Principle 5: Abolition of child labor • Principle 6: Elimination of discrimination	**Corporate objective:** Women to fill 20 percent of management positions by 2020 Make the topics of diversity and share of women part of the Bosch Group's strategic roadmap Bosch Human Resources System (BHS)	**Diversity management:** Group-wide programs to promote diversity and attract the best staff have been continued and expanded **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 **Cultural consultants** advise colleagues who are going abroad for Bosch and act as experts for intercultural cooperation **Education shapes the future:** Primavera, the international charitable organization founded by Bosch associates, promotes education and training for disadvantaged children in poor regions of the world **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. **Dual training worldwide:** The Bosch training model is being systematically expanded – after China, India, Thailand, and Brazil, now also in Russia and Vietnam	• Proportion of female executives at 12.2 percent in 2013 • Awarded the German Diversity Prize 2013 • Associates from 112 countries employed in Germany Number of retirees who work as senior experts: 1,600 There are currently 250 cultural consultants active at Bosch In 2013, the organization had 755 members, and collected donations amounting to over 630,000 euros; support went to 29 projects that helped children and young people to improve their living situation and prospects for the future The Bosch Group donated 13.6 million euros in 2013: • Support for the victims of natural disasters (flooding in Germany, Austria, and the Czech Republic, typhoon in the Philippines) • Support for science and research (endowed chairs at universities in China, Germany, India, and the U.S.) • Bosch is training approximately 6,100 young people worldwide • Since 1961, almost 2,400 young people have been trained at the Bosch Vocational Centre in Bangalore, and they have won 211 gold medals for "Best apprentice" in national competitions

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		In-house and external training: Comprehensive support through numerous seminars, the Robert Bosch Kolleg, and the Carnegie Bosch Institute	Launched in August 2013, the Internet learning platform www.automotive-campus.com provides online training courses that enable structured training for car repair shops and their associates
		New vocational training positions are being created at Bosch to help combat youth unemployment in Europe	Some 7.5 million euros made available over four years for 100 additional places on vocational training courses for young people from southern Europe
		"Afrika kommt" initiative: Bosch and 16 other companies are committed to promoting African executives	21 scholarships for budding executives from sub-Saharan Africa
Environmental protection • Principle 7: Precautionary environmental protection • Principle 8: Initiatives to promote greater environmental responsibility • Principle 9: Development and diffusion of environmentally-friendly technologies	**Corporate objective:** Cut relative CO_2 emissions by 20 percent by 2020 Guidelines for occupational safety and environmental protection Bosch Product Engineering System (BES) Bosch Production System (BPS) Design for Environment (DfE)	**CO_2 reduction:** Targeted reduction of relative CO_2 emissions at production locations around the world	• Reduction of relative CO_2 emissions by 16 percent compared to 2007 • Absolute reduction of 0.1 million metric tons compared to 2007 • Plants that have completed the realization phase reduced their emissions by an average of up to 30 percent • Environmental/Safety portfolio accounts for a 37 percent share of group sales
		Sustainable research and development: Continuous investment in the further development of products that conserve resources and protect the environment	• Use of just under 50 percent (2.3 billion euros) of the group-wide research and development budget for particularly sustainable products • Around 5,000 patents registered worldwide
		Design for Environment (DfE): Systematic expansion of the group-wide strategy on developing especially eco-friendly products launched in 2000	• Further development of DfE requirements profile
		Seven-point program: The goal is to reduce average CO_2 emissions for new vehicles to 95 grams/kilometer by 2020	• Various efficiency technologies, such as turbocharging downsized diesel and gasoline engines, reduce fuel consumption by as much as 20 percent compared with 2012 levels • Automation of manual transmission using the eClutch – savings of approx. five percent • Enhancement of the start/stop system to make it a coasting assistant achieves fuel savings of up to 15 percent • The Boost Recuperation System (BRS) for regenerative braking and coasting reduces fuel consumption by as much as seven percent • The world's first hydraulic hybrid drive for cars reduces consumption by an average of 30 percent, or by up to 45 percent in urban driving • Strong hybrid systems for large vehicles reduce consumption by up to 25 percent • Plug-in hybrid systems can be charged at the power socket and reduce fuel consumption in the driving cycle by 50 percent.
		Bosch navigation: Navigation-based management of battery status in hybrid vehicles	Recognized by the EU Commission as an "eco-innovation," this technology uses navigation data to provide a benefit that can be used as a credit to offset the CO_2 emissions of vehicle fleets
		ISO 14001: Bosch locations certified with this international environmental management system standard	Just under 200 of the 242 Bosch production and development locations have thus far been certified
		Bosch Energy and Building Solutions (BEBS): Professional advice to leverage efficiency potential	• Bosch experts achieve average energy savings of 20 percent in commercial buildings • Ongoing BEBS projects reduce annual CO_2 emissions by 80,000 metric tons

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		Worcester Boiler & Spares Returns Recycling: Recycling as a contribution to resource efficiency and waste avoidance ("Zero Landfill"); every Worcester boiler can be returned and recycled	• 300 service technicians take back parts or complete boilers every day • Each week, as much as one metric ton of plastic is disassembled and used to make garden sheds
		Remanufacturing: The Bosch eXchange replacement parts program remanufactures and repairs Bosch vehicle parts	• More than 11,000 different remanufacturing parts on offer • Repairing components requires up to 90 percent less energy than producing new ones • Material savings are between 50 and 90 percent
		iBooster: The new technology boosts braking power intelligently with almost total recuperation in hybrid and electric vehicles	• Braking is almost three times faster than with current systems, leading to shorter braking distances to increase safety • In normal street traffic, all braking is done through the electric motor and the kinetic energy is transformed into electricity
		Common-rail systems: The performance and fuel consumption of the efficient and eco-friendly common-rail injection system is continuously being improved	• Injection pressure increased from 1,400 to 2,500 bar since 1999 • Higher injection pressure leads to significant reductions in raw emissions from engines; combustion can be complete and hardly any soot is generated
		Process and energy efficiency: Energy consumption and processes at Bosch production plants are continuously improved. This makes operations more eco-friendly and cost effective	• The Stuttgart-Feuerbach and Homburg production plants in Germany are joint winners of the "Lean & Green Efficiency Awards 2013" in the "Automotive OEM/Group" category • For the second time in a row, the Homburg site received the German Ideas Award (Deutscher-IdeenPreis) for the "Best environmental idea" • Since 2007, Stuttgart-Feuerbach has reduced its energy consumption by 40 percent, and its total CO_2 emissions by 50 percent • Since 2007, Homburg has reduced its energy consumption by over 20 percent
		Alternative drives – electromobility: Bosch is a founding member of the national electromobility platform. The aim is to make Germany a leading supplier of and leading market for electromobility by 2020	• Participation in the UN dialog on sustainable cities and urban transport with integrated vehicle systems for electromobility • The "Lithium Energy and Power" joint venture develops batteries for electric vehicles with double capacity • With a total of 13 million euros over three years, the German Federal Ministry of Economics and Technology has subsidized the Alpha-Laion project to develop high-energy traction batteries; the consortium partners themselves have contributed about 19.5 million euros • With components for eBikes and eScooters, Bosch is supporting multimodal traffic concepts in cities • The Bosch Software Innovations eMobility starter package creates a standard that makes it possible to charge vehicles at any charging station • More than 1,100 associates are working on electromobility • 400 million euros a year are spent on electromobility

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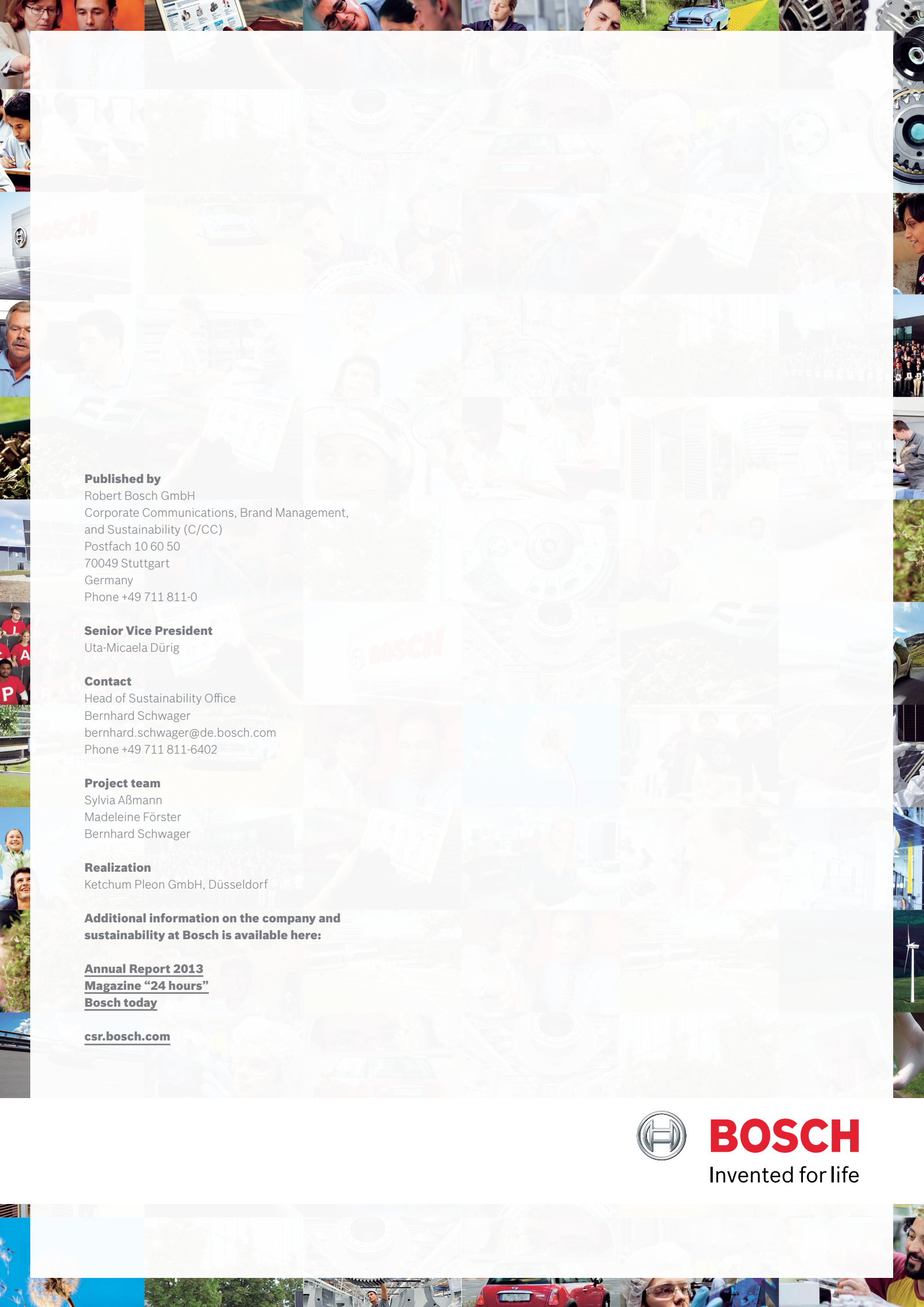
		Research networks: The international InterCampus Program, launched in 2011 with a total investment of 50 million euros over a period of ten years, is being continued and expanded	• Research into pioneering solutions for all aspects of electromobility • Power generation, energy efficiency, and lower emissions – for example in Shanghai (China), Reutlingen, and Stuttgart (Germany) • Bosch Energy Research Network (BERN) founded in the U.S.
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	**Compliance officers and whistleblower portal:** A portal in which all associates can report identified or suspected breaches of compliance; contact persons in the regions and whistleblower portal for personal, telephone or electronic reports (Bosch Compliance Hotline) – also anonymous if desired	Annual reporting to management board, supervisory board, and group works council on recorded breaches and action taken
		Compliance training: Training courses and web-based training sessions to raise awareness among Bosch associates are scheduled to continue	Raising awareness and improving competencies through increased use of group-wide compliance structures and training courses, for example on the issues of cartel law, product liability, export controls, and Code of Business Conduct

Further key principles for sustainable activities in the Bosch Group:
The Bosch "House of Orientation": Vision, mission, values, core competencies, and the Bosch Business System.
In 2010, an office, expert committee, and steering committee were founded. These bodies have since been responsible for the efficient implementation of all sustainability-related activities in the group.

Scope of reporting
The validity of information is specified in the relevant text, key figures, or targets. This report presents a summary of current activities from the whole area of sustainability in the Bosch Group. 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 2013 to spring 2014. The cut-off date for key figures is December 31, 2013. The editorial deadline was March 31, 2014.

Memberships (excerpt)
United Nations Global Compact (2004), B.A.U.M. (1990), Transparency International (1995), econsense (2000, founding member), Global Reporting Initiative (2006, organizational stakeholder), Forum Compliance & Integrity (2007).



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Additional information on the company and sustainability at Bosch is available here:

Annual Report 2013
Magazine “24 hours”
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