

Sustainability Report **2014** Bosch Turkey



# Dear readers,

Sustainability is the center of our daily business conduct and the key to our success at Bosch Turkey as in our global operations. We develop strategies in economic, environmental and social issues and implement related policies to ensure the sustainability of our business. In 2014, we signed the United Nations Global Compact and committed to acting in line with the 10 principles in human rights, labor, environment and anti-corruption. In this context, we are proud to publish our first Sustainability Report, which contains the 2014 performances of Bosch Turkey.

As one of the first companies that used MEMS sensors to improve vehicle safety since 1990s, Bosch develops technologies that are 'Invented for Life' thanks to its systematic R&D efforts. With these sensors, we made life more comfortable and contributed to greater safety both at home and on the roads. Having more than 1,000 patent applications for sensors, we improved the profitability of our company and also highlighted our commitment to social and environmental responsibility.

Bosch Turkey achieved €1.68 billion revenue and €1.22 billion exports in 2014, and thereby realized 1% of the annual exports of our country. With approximately 15,000 employees and our extensive supply chain, we have a considerable economic impact. In 2014, we have allocated approximately €80 million to R&D investments and applied for 77 patents at three R&D Centers.

Aware of our environmental responsibility, we use natural resources efficiently and advance our technological infrastructure. We improve our processes at our factories to reduce the energy and water use, and to dispose our waste without harming the environment.

To respond to the expectations of our employees, who are among our key stakeholders, we pay particular attention to their health and safety, survey their satisfaction level and implement comprehensive training programs for their development. Beyond complying with all laws and regulations, we participate in voluntary initiatives for human rights and equal opportunities, and make no compromise on these matters in all our activities.

Within the frame of our sustainability policies, we will continue to contributing to the nature, people, society and the economy, while developing, and responding transparently and openly to the expectations of our stakeholders.

Sincerely,

Steven Young, President, Bosch Turkey and Middle East









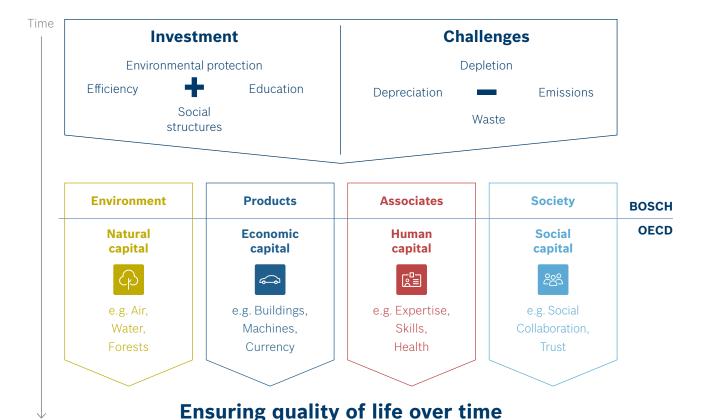
# Living a better life

Since 2011, the OECD's Better Life Initiative has been asking: How's Life? To find a valid answer to this question, the organization has defined indicators that can be used to measure quality of life around the world. In addition to this, the OECD's capital model shows, which factors will influence our well-being in the future.

A functioning infrastructure, clean air, education, and trust in the political system: these are just four of many factors that are decisive for the quality of life we enjoy, and for the well-being of future generations. The OECD has pooled these resources into a four-pronged model that comprises economic, natural, human, and social capital. All four contribute to maintaining prosperity over time. For this reason, consistently monitoring their status is vital, as is actively investing in their development and counteracting negative developments and abuse of the system.

The OECD's forms of capital, which also shape this report, correspond to the four areas that Bosch's sustainability activities focus on. For instance, with environmental education initiatives, we contribute to protecting natural capital. We enhance human capital with our open corporate culture, which promotes diversity and encourages associates to contribute their knowledge and expertise.

Further examples of how we contribute to ensuring quality of life can be found on the following pages.





# The Bosch Group at a glance

The Bosch Group is a leading global supplier of technology and services. It comprises Robert Bosch GmbH and its roughly 440 subsidiaries and regional companies in 60 countries.\* The company is divided into four business sectors: Mobility Solutions, Industrial Technology, Consumer Goods, and Energy and Building Technology. In fiscal 2014, the Bosch Group's sales grew 6.3 percent over the previous year, to 49 billion euros.

92 percent of the share capital of Robert Bosch GmbH is held by Robert Bosch Stiftung GmbH, a non-profit foundation. The majority of voting rights is 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 make significant upfront investments in the safeguarding of its future. Moreover, thanks to its business activities, Bosch can secure the financing of its charitable initiatives and of Robert Bosch Stiftung.

### **Our strategy**

Bosch develops technology "Invented for life": products that spark enthusiasm, improve quality of life, and help conserve natural resources. To achieve this goal, we are shaping the changes ahead and seizing opportunities in the areas of connectivity, electrification, energy efficiency, automation, and the emerging markets.

In developing beneficial solutions, we rely on our international research and development network, which counts 45,700 associates around the world. Last year, they filed some 4,600 patents. In 2014, Bosch spent a total of five billion euros on research and development – about ten percent of its sales.

Around the world, some 360,000 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.

More information on our company can be found at csr.bosch.com

To find out more about Robert Bosch Stiftung, please visit www.bosch-stiftung.com

<sup>\*</sup> Status of April 1, 2015 (including BSH Hausgeräte GmbH and Robert Bosch Automotive Steering GmbH)



# Bosch Turkey

Bosch Turkey started its Turkey operations in 1910 with a representative office, and established its first factory in Bursa in 1972. As of 2014 year-end, Bosch Turkey had over 15,000 employees, €1.68 billion revenue and €1.22 billion exports; it is among the leading technology and service providers of Turkey. On 1 January 2015, Bosch Turkey became the center for 17 countries, including United Arab Emirates, Iraq, Lebanon and Saudi Arabia, in addition to Turkey.

Bosch Turkey consists of five companies.

- Bosch Sanayi ve Ticaret A.Ş.
- Bosch Termoteknik Isıtma ve Klima Sanayi Ticaret A.Ş.
- Bosch Rexroth Otomasyon Sanayi ve Ticaret A.Ş.
- Bosch Fren Sistemleri Sanayi ve Ticaret A.Ş.
- BSH Ev Aletleri Sanayi ve Ticaret A.Ş.

Bosch Sanayi ve Ticaret A.Ş., Bosch Termoteknik Isıtma ve Klima Sanayi Ticaret A.Ş., and Bosch Rexroth Otomasyon Sanayi ve Ticaret A.Ş are joint-stock companies and 100% subsidiaries of Bosch Group. BSH Ev Aletleri Sanayi ve Ticaret A.Ş. became a 100% subsidiary of Bosch Group as of 2015. 84.5% of the shares of Bosch Fren Sistemleri Sanayi ve Ticaret A.Ş. belong to Bosch Group; the remaining 15.5% are public float and traded in the Stock Exchange Istanbul (BIST).

### Bosch Sanayi ve Ticaret A.Ş.

As the largest company of Bosch Group in Turkey, it produces diesel systems and gasoline injection systems for the leading automotive manufacturers at three factories in Bursa. In addition, the Diesel Injectors R&D Center develops new technologies. It has sales offices in Istanbul and Bursa for Sales Original Equipment, and in Istanbul for Automotive After Market, Power Tools and Security Systems. In 2009, the ATMO establishments started with assembly systems and customized machine design and production.

### Bosch Termoteknik Isıtma ve Klima Sanayi Ticaret A.Ş.

The Company produces wall-hung heating devices, heating device components and heat pumps in its Manisa plant, which is the largest, amongst Bosch boiler factories around the world. For 24 years, the factory operates as a center on a 109 thousand m2 field, and both designs and develops its products. There are over 800 production types for 24 product families, and the factory exports products used in its own production such as copper pipes, steel, copper and plate heat exchangers to other thermotechnology factories. Since 2011, the Manisa plant produces over 500 thousand heating devices annually, breaking production records repeatedly. The sales office of Bosch Thermotechnology is in Istanbul.

### **Bosch Rexroth Otomasyon Sanayi ve Ticaret A.Ş.** The

Company develops innovative products in the segments of mobile applications, machinery applications and engineering, factory automation and renewable energies as well as tailored system solutions. As the leader in drive and control technologies, it offers its customers hydraulics, electric drives and controls, gear technology, and linear motion and assembly technology all from one source, and provides training and after-sales services related to these technologies as well. The sales office of the company is in Gebze, Taysad Organized Industrial Zone, and the factory in Bursa, Nilüfer Organized Industrial Zone.

### Bosch Fren Sistemleri Sanayi ve Ticaret A.Ş.

Founded in 1975, the Company is active in the field of manufacturing of hydraulic brake systems for automotive and light commercial vehicles required by the major automotive and the aftermarket. Having an effective production and sales network, Bosch Brake Systems becomes more powerful in the Turkish market each passing day. Its factory is in Bursa.

### BSH Ev Aletleri Sanayi ve Ticaret A.Ş.

With €1 billion investment since 2005, BSH Turkey is the largest foreign investment of Turkey in white goods sector, attaching importance to energy efficiency and innovation with its brands Bosch, Siemens, Gaggenau and Profilo. In 2014, BSH Turkey took the responsibility of 8 production facilities and 87 countries of BSH Group, including Africa, the Middle East, Ukraine, Russia and Belarus. It has the largest production facility of the Group in Çerkezköy, and the first certified R&D Center of Turkey. Its wide service network in Turkey covers 8 regional directorates, 368 authorized services and 1,200 well-trained technicians.

1 For more information on the products and services of Bosch Group Turkey of companies, please visit their websites

Bosch Sanayi ve Ticaret A.Ş.: www.bosch.com.tr

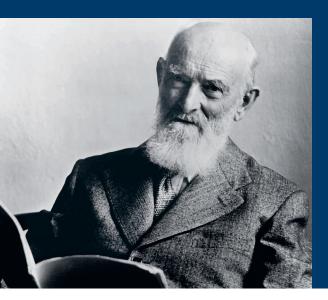
Bosch Termoteknik Isitma ve Klima Sanayi Ticaret A.Ş.: http://www.bosch-thermotechnik.de/en/tt\_com/international/bosch\_termoteknik\_tuerkiye/homepage\_information\_1.html Bosch Fren Sistemleri Sanayi ve Ticaret A.Ş.: http://www.boschfren.com.tr

 $Bosch\ Rexroth\ Otomasyon\ Sanayi\ ve\ Ticaret\ A.\S.:\ http://www.boschrexroth.com/tr/tr$ 

BSH Ev Aletleri Sanayi ve Ticaret A.Ş.: http://www.bsh-group.com.tr/anasayfa

2 Due to Turkey structure, BSH was not within Bosch Group Turkey in 2014 and therefore not included in this report. Due to changes in law, Bosch does not include compa nies, where it has a 50% partnership, in its consolidated financial results. This case is especially valid for Bosch Siemens Ev Aletleri GmbH and ZF Lenksysteme. In 2015, 100% of the company BSH Ev Aletleri became part of Bosch.

# Sustainability at Bosch



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Improvements in the world of technology and business should always also be beneficial for mankind."

Robert Bosch

### 80

### Mission statement and fields of activity

In line with the convictions of our company founder Robert Bosch (1861–1942), we strongly believe that the lasting success of our business depends on a healthy society and environment. The aim of sustainability is thus a firmly established part of our corporate strategy. We pursue this aim in four main areas: environment, products, associates, and society.

- Environment: Thanks to annual targets and systematic environmental monitoring practices, we are reducing resource consumption and waste at our locations around the world.
- Products: We continuously strive to improve the material and energy efficiency of our products. Moreover, a considerable portion of our R&D expenditure goes toward eco-friendly technology.
- · Associates: We promote working in diverse teams, which we consider a driver of innovation and value added.
- · Society: Among other things, our charitable activities focus on educational projects and initiatives that support young scientists.

### **Organization**

At Bosch, sustainability management is twofold. First the company's various departments identify relevant topics and assess where action is needed. Then, committees comprising presidents of divisions, heads of corporate departments, and members of the board of management draw on this information to define global sustainability targets. These bodies also monitor progress.

### **Measuring success**

Bosch measures success in two ways: with strategic controlling and by monitoring functional areas. The aim of strategic controlling is to support management in finding and assessing new fields of sustainable business, and to weigh the corresponding opportunities and risks. In contrast, the monitoring of functional areas is decentralized and focuses on operations: it involves providing Bosch units with specific targets, for instance with regard to reducing CO<sub>2</sub>, decreasing the number of accidents in the workplace, and increasing the number of women in management positions. Bosch publishes the most important key figures and target values in its annual Sustainability Report, and in the form of interactive graphics on its website.



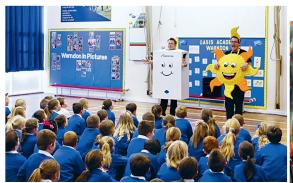
Natural capital

# Environmental education promotes responsibility

Healthy ecosystems and biodiversity are the foundation of life, and are necessary for prosperity and well-being. But natural capital is limited. This is why maintaining ecological resources for future generations is one of the biggest challenges society faces. Bosch is actively tackling this challenge with concrete guidelines and Group-wide measures, and by promoting environmental awareness in a targeted manner.

For many years, using energy and resources responsibly has been a top priority at Bosch. In order to protect the climate in a tangible manner, the company has defined a CO<sub>2</sub> target and established clear management structures. By 2020, Bosch aims to reduce carbon dioxide emissions by 20 percent over 2007 levels, relative to its value added.

But environmental targets are not the only way the company ensures that progress is made in protecting the climate and conserving resources. Bosch also places a great deal of importance on raising awareness of environmental issues among associates and stakeholders around the world. The company does this with a broad range of local initiatives.







### **Bosch China: Identifying energy consumers**

Over the course of the Go Green campaign in 2014, Bosch plant managers in Changsha, China, called on associates to come up with ways to reduce energy consumption in the company's everyday operations. Associates identified the location's lighting as an area that showed significant savings potential. Since then, energy-intensive halogen metal halide lamps have been replaced with efficient LED lamps. This measure alone saves the location 60,000 euros per year in energy costs and reduces annual CO<sub>2</sub> emissions by 492 tons.

### **Bosch Turkey: Raising awareness about energy efficiency**

In 2011, Bosch opened an energy efficiency training center at its Bursa location. The center, which is geared toward associates, organizations, companies, and schools in the region, has an ambitious aim: to raise awareness for energy efficiency and sustainable energy consumption. To this end, the center offers training sessions on a regular basis that focus on real-life examples. All associates can register for the sessions online via the Bosch training portal. Response to the sessions has been positive: in four years, Bosch has trained more than 3,000 people with an interest in the environment. Eighty percent of those who have taken part in the training sessions have been Bosch associates. Other participants have included students and employees of non-governmental organizations, as well as companies from the region.

### **Bosch UK: Making environmental education fun**

In the United Kingdom, Bosch is also working to raise the environmental awareness of young people. For instance, the company has cooperated with leading thinkers at the Royal Academy of Engineering to develop an energy efficiency handbook for schools. "Reducing CO<sub>2</sub>: Engineers

lead the way" explains how engineers contribute to reducing  $\mathrm{CO}_2$  emissions with innovative products. In addition to this, practical examples aim to motivate readers to calculate their own  $\mathrm{CO}_2$  emissions and come up with ways to reduce them.

In Worcester, Bosch has also commissioned the development of a play that aims to spark the interest of seven to eleven-year-old schoolchildren in green topics. In "Everybody can make a Difference", actors playing Bob the Boiler and Solar Sam talk to the audience about saving energy and reducing waste.

With its annual Environment 2020 Award, which is geared toward installation technicians, builders, and municipal authorities, the Bosch location in Worcester also honors building measures that have an especially positive effect on the environment and contribute to improving energy efficiency.

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



### **Key figures** 2014

Relative CO<sub>2</sub> emissions

-19.9 percent\*

Energy needs

-9.0 percent\*

Water consumption

-0.9 percent\*

Funds spent on protecting the environment

+72.5 percent\*

\*compared with 2007 levels



## **Bosch Turkey Projects**



### **Energy Efficiency Week in Bursa**

#### Manisa Bosch Grove











### **Improving Energy Efficiency in the Industry**









They save lives by correcting human error. They also help save energy and make our jam-packed everyday lives more comfortable. MEMS sensors are the sensory organs of vehicles, smart phones, and household appliances. They are a key technology for the connected world. Thanks to continuous research and development, Bosch has contributed to making the smart technology available to the masses. In so doing, the company has contributed to the development of economic capital that helps ensure quality of life. As a result, everyday activities such as cooking, heating, or driving are becoming safer and more sustainable.

MEMS stands for micro-electromechanical systems. The intelligent technology measures physical parameters such as pressure, humidity, or temperature and transmits the data collected via the Internet, for instance to a user's smart phone. In so doing, the sensors create a connection between the real and virtual worlds. With the help of sensors, objects can detect their environments and react to changes. For example, a lighting system can turn itself off

when a sensor notices that no one is in the building. At a plant nursery, a smart socket makes sure that the watering system can turn itself on and off, depending on the soil's humidity. And when it comes to reducing energy consumption in residential buildings, offices, or factories, MEMS sensors are increasingly being used. In 2014, Bosch produced a total of one billion units of the smart helper, and is global market leader in the field of sensor technology.





#### Safe travels

The technology experienced its first breakthrough in the automotive industry of the 1990s. Since then, tiny sensors just a few millimeters in size have measured pressure and acceleration. One of them is the SMI700, which is at the core of the ESP anti-skid system that Bosch launched in 1995. The sensor continuously monitors whether the vehicle is traveling in the same direction that the driver is steering. When this is not the case, it tells the system to reduce engine power or make individual wheels decelerate. According to Bosch accident research, ESP has prevented some 190,000 accidents since it was launched, and the technology has saved 6,000 lives. Since November 1, 2014, the anti-skid system has been mandatory in all newly registered vehicles in the EU.

In addition, since last year ACC adaptive cruise control has been ready for series production in small and large vehicle classes. The system is based on a radar sensor that monitors traffic in front of the car. Drawing on the data it gathers, it can then adapt the vehicle's speed to the flow of traffic by braking or accelerating automatically. This makes it possible to effectively avoid rear-end collisions. The technology is also eco-friendly: thanks to the predictive, steady driving style that ACC enables, heavy braking can be avoided, and this helps reduce the vehicle's fuel consumption by up to five percent.

### **Heading toward a smart future**

The sensors must be able to meet high demands: they must have a long service life despite being in constant use, and they have to be energy efficient. Over the past 20 years, Bosch has pushed the further development of the smart helpers forward with its own intensive research and development activities. In the area of MEMS sensors alone, Bosch currently holds more than 1,000 patents and patent applications. And as the number of applications has grown,

production costs have continuously decreased. Not only are many of the microchips produced at the site in Reutlingen, Germany, suitable for a broad range of applications; they are also enabling the Internet of Things, which is set to be the next technological revolution. In January 2015, Bosch presented a number of connected solutions for smart homes at the CES consumer trade fair in Las Vegas. The company displayed technologies that will make life more comfortable and sustainable in the future, among them an oven that automatically determines optimal cooking time. This not only helps ensure the perfect Sunday roast, it also guarantees the most efficient use of heating energy.

More information on our sensors can be found here



### **Key figures** 2014

Patents and patent applications in the area of MEMS sensors

—— more than 1,000 ——

Number of MEMS sensors in a modern vehicle

—— more than 50 ——

Number of associates around the world who develop driver assistance and vehicle safety systems

— more than 5,000 ——

Share of sales generated with environmental and safety products in 2014

—— 40 percent ——

# **Bosch Turkey Projects**



### **Collaborations for Vehicle and Traffic Safety**

Several meeting were held with the Republic of Turkey Ministry of Science, Industry and Technology to make active safety systems on vehicles (such as ESP, LDW and AEB) as a standard, and working groups and technical sub-committees were participated in various Non-Governmental Organizations such as Automotive Manufacturers Association (OSD) in this respect. In line with the 'Zero Accident' vision of Bosch, necessary briefings on the impact of active safety systems on vehicles and driver support systems on potential accidents are also conducted in various events to increase the awareness. Bosch Turkey also supports activities on traffic safety as a member of Traffic Safety Platform, the Turkey application of Decade of Road Safety. Several studies are also conducted for the simultaneous transfer of laws and regulations within the scope of activities for the integration to European Union.

### **R&D for Innovative, High-Quality and Safe Products**

Bosch leads global innovations with its R&D Centers in Turkey. There are over 100 employees in the Diesel Injection R&D Center at Bursa factory of Bosch Sanayi ve Ticaret A.Ş., which consists of the Platform, Customer Projects and Process Development departments. The Center develops new technologies conforming to the 'Nature Friendly Technology' strategy of Bosch. Activities on diesel injection systems in line with the new emission norms (EU6), which are planned for 2016, are already in place. The Manisa R&D Center is both developing technologies and transferring it worldwide. The Center spent €17.8 million in the last three years and has an experienced team with over 70 employees. This Center is also entitled as 'Conventional Heating Device Development Competency Center', 'Development Tests Competency Center', 'Plate Heat Exchange Production and Development Competency Center'



### **Bosch Thermotechnology Call Center**

The Bosch Thermotechnology Call Center was established in 2009 to ensure accurate and safe use of our products, respond to end-user demands immediately and provide a source for the reporting system for developing measures by establishing a databank. The departments of the Center are organized by incoming calls, outbound calls, complaint management, loyalty program services, corporate services and internal processes. Calls are monitored through a CRM system, specially designed for Bosch, and the quality processes are managed in line with the ISO9001 criteria. There is also a separate quality department within the call center to ensure appropriate service quality of call center employees. This department monitors the calls of call center units and assesses them through an evaluation form. The call center surveys the satisfaction of approximately 20,000 end-users annually, and thereby continuously measures service quality.

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Human capital

# The asset of diversity

We are all different, and all our differences matter: this was the message of the first global Bosch Diversity Day, which was held in June 2014. With an open working culture that embraces diversity, Bosch not only attracts highly qualified graduates, it also promotes the health and motivation of its associates – the company's "human capital". With their broad ranging knowledge and experience, the women and men who work at Bosch can help find solutions to the complex challenges of the future. And by applying their skills, associates contribute to the development of solutions that enhance quality of life.

By the end of the day, there were barely any white spots left on the oversized world map that was hanging at the Mobility Solutions business sector's headquarters in Farmington Hills, Michigan. On the occasion of Bosch Diversity Day, the location's associates placed colorful stickers all over the map to show where they were born, where they had been, and where they would like to go. As a result,

colleagues that had little contact in their day-to-day work engaged in conversation and found out more about their company's multicultural workforce. The same day, Bosch associates 15,000 kilometers away in Singapore played a game of diversity bingo. At a total of eight stations, there were stamps for associates who showed their translation or music skills, or their knowledge of different cultures.





Farmington Hills and Singapore were just two of the 200 locations that took part in the first global Bosch Diversity Day on June 24, 2014. Around the world, there were workshops, discussions, and other events that focused on the topic of diversity. The event gave associates around the globe an opportunity to think about the different aspects of diversity, and to question their own stereotypes and opinions. For Bosch, this critical questioning is decisive, as the wealth of experience, perspectives, and approaches within the company are central to understanding different customers and markets. Studies have found that the best results are the product of mixed teams comprising men and women of different ages as well as people of different backgrounds. Associates at Power Tools in Hangzhou, China, put this idea to the test on Diversity Day: in mixed teams of women and men of different ages, they came up with concepts for new tools, from multifunctional devices to a range of childproofed tools.

### Flexible and family-friendly

In 2011, Bosch launched a diversity initiative that focuses on equal opportunities for men and women, as well as for associates of all ages. It also promotes a flexible working culture and internationality. Among other things, the initiative encourages diversity at Bosch by calling for the establishment of the right conditions. One result of this is the Mindset Organization Executives (MORE) project, over the course of which more than 1,000 executives in a number of Bosch countries put flexible working models to the test. In addition, the company has made its family-friendly corporate culture part of its global guiding principles. In so doing, Bosch acknowledges not only that

management tasks can be carried out on a part-time basis, the company also understands the importance of supporting its associates when they face special family challenges, including caring for loved ones. Today, Bosch even recognizes family leave as a career building block comparable to a foreign assignment. Diversity at the company is also expressed through international associate networks such as family@bosch, the Africanetwork cam@bosch, women@bosch, and 50plus@ bosch. Many of these networks have been active for a number of years already, and they see to it that the concerns of the company's diverse workforce are heard around the world. Associates will have another opportunity to express themselves at the next global Bosch Diversity Day on May 21, 2015 - which coincides with the UN's World Day for Cultural Diversity.

More information on the Bosch definition of diversity can be found here



### Key figures 2014

Number of nationalities in the Bosch workforce

— more than 150 -

Share of local executives at Bosch locations worldwide

— 80 to 90 percent —

Share of female executives at Bosch

— 12.9 percent —

Number of associate networks that help shape diversity at Bosch

**—— 10** —



## **Bosch Turkey Projects**



### **Human Rights at Bosch Turkey**

Bosch Turkey conducted the Employees, Decent Work and Human Right workshop on 5th June 2014, where the risks and applications related to Human Rights topics such as child and forced labor, discrimination and the freedom of association were elaborated on. Bosch Turkey Employees have the rights for the freedom of association and collective bargaining, as determined by laws and regulations. All related risks within the scope regarding child labor are managed with necessary audit mechanisms. Overtime work is conducted on a voluntary basis only and conformity to legal working hours is audited regularly.

### **Open Doors Day for Families**

Employees and their families are among the key stakeholders of Bosch Turkey. Therefore Bosch Diesel and Gasoline Systems develops dialogue platforms for its own employees and their families. The 'Open Doors Day for Families' program, developed within this context, was realized for the first time in 2014, and at 3 factories in Bursa at the same time. The program aims to visualize the working environment for the families, and, by bringing them together in a joint platform, improve the satisfaction and loyalty of employees. For that purpose, employee's families were invited to factories and hosted for a full day. Showing the working environment to the kids, who are curious to see where and how their parents work, through events within the factory in an entertaining way, is also a target of the program. Within this scope, 15.500 people were hosted at the same time and with the same content.







### **Equal Opportunity Model Certificate from KAGIDER to Bosch Diesel and Gasoline Systems**

Bosch Diesel and Gasoline Systems Bursa Factory was awarded with the 'Equal Opportunity Model Certificate' by the project conducted jointly by KAGIDER and the World Bank due to its sensitivity to female-male equality and the opportunities provided to female employees. Bosch Diesel and Gasoline Systems Bursa Factory was the first company both in Bursa and in the Turkish metal industry to achieve this certificate, which considers criteria such as managerial approach to equal opportunities, and equal opportunity applications in recruitment, training, career support, performance assessment and promotions. This certificate has confirmed the importance Bosch Diesel and Gasoline Systems Bursa Factory attaches to the recruitment of women and the efficiency of its human resources applications for equal opportunities.



# Local commitment

At Bosch, our special ownership structure means that economic success and social commitment are closely interlinked. The company's profitability is the basis of Robert Bosch Stiftung's non-profit activities. What is more, Bosch has contributed to increasing social capital for decades through its commitment to promoting well-being in communities close to its locations around the globe. Associates worldwide volunteer their time to strengthen social collaboration onsite and beyond. In so doing, they help ensure the quality of life of future generations.

At Bosch, there are many reasons for associates to volunteer in their free time. Those who contribute their skills to promoting social well-being support the aim of maintaining a healthy society, and this reflects Bosch values. At the same time, volunteering allows associates to broaden their horizons, strengthen team spirit, and come up with creative solutions. It also enables them to enhance their

own skills and help secure the company's innovative strength. This is why there are initiatives at almost all Bosch locations that encourage associates to volunteer. In Germany, for instance, development programs for up-and-coming executives include providing active support and good ideas for a project carried out by a local social organization.







The Primavera – Hilfe für Kinder in Not e.V. success story shows just how much can be accomplished when associates join forces. The initiative was founded in 1990 when associates at the Bosch site in Curitiba, Brazil, began helping disadvantaged children who lived in favelas close by. In 2014, Primavera had about 880 members. From the very beginning, the aim of the initiative has been to give young people the education they need to live an independent life. Today, Bosch associates and their former colleagues volunteer for some 30 projects in 12 countries. Their work reflects the wishes of company founder Robert Bosch, who was also committed to promoting education over the course of his life.

### A solid foundation

Strengthening local communities is another focus of volunteer work at Bosch. In 2014, thousands of Bosch associates around the world took part in regional aid projects. For instance, associates from the Power Tools division spent a week volunteering to help reconstruct buildings in Cebu, an island in the Philippines that was badly affected by a typhoon. Together with Habitat for Humanity, they helped prepare the ground for twelve new houses and provided much-needed professional power tools. This made it possible to prepare the ground in just two hours, a task that would have taken about two weeks if common shovels and picks had been used. By the end of 2014, Bosch associates in the Philippines had also helped build six multi-purpose halls, three schools, and three libraries. For the past six years, Bosch associates have been helping people in China's Sichuan Province to help themselves. Following an earthquake in 2008, local farmers there not

only lost their houses, but also their livelihoods. With the aim of providing the region's children a promising future, Bosch Group and associate donations funded the construction of Musu Bosch Central Primary School. Today, six hundred children are being taught in six grades in the earthquake-proof building. However, many families cannot afford to send their children to school. To help them, volunteers have launched the One-on-One Education Assistance project, which sees Bosch associates sponsoring individual children to continue their schooling. By the end of 2014, 300 Bosch China associates were involved in the project, enabling 218 students to complete the schooling they need for future occupational training.

More information on volunteering at Bosch can be found here



### **Key figures** 2014

Bosch Group donations to charitable initiatives

—— 12.6 million euros —

Donations made to Primavera – Hilfe für Kinder in Not e.V.

—— 654,278 euros ——

Sponsorship volume of Robert Bosch Stiftung

— 68.2 million euros –

Annual internal and external projects at Robert Bosch Stiftung

around 800 ——

## **Bosch Turkey Projects**



### **Elementary Schools Volunteer Program**

Within the scope of community engagement and volunteer programs of Bosch Sanayi ve Ticaret A.Ş., the Gölcük Elementary School in Kestek district was selected in 2014 among schools in need in Bursa region; its roof, internal and external facade were repaired with the department budgets of Mobility Solutions and Power Tools units, and personal tangible and intangible support of their employees. This support ensured students a clean, nice and healthy school environment in better conditions to continue their education. In 2003, Gündoğdu Elementary School was selected among schools in Bursa regions, and the necessary tangible and intangible support was provided for its painting.

### **Search and Rescue Club of Bosch Diesel and Gasoline Systems Bursa Factory**

The search and rescue team, consisting of 20 people, was established in 1999. It aims to provide the necessary search and rescue support in accidents, natural disasters and any events endangering human life, inform the society and employees about natural disasters, conduct joint activities with non-governmental organizations, and follow-up technological developments in this field. The team organizes a training and practice event monthly, and provides educational activities at schools nearby. The team also participated in the search and rescue activities for a person in İnegöl and for five people at the Marmara Sea in 2014.



### Bosch Car Service Eğitim Merkezi Mezuniyet Töreni **12.06.2**0



### Şişli Technical and Industrial Vocational High School Bosch Car Service Training Center

Bosch Car Service Training Center started its educational activities in 2012 in Şişli Technical and Industrial Vocational High School with an investment of €90,000. The Center uses Bosch Test Equipment and Bosch ESI-tronic technical software, which includes repair and maintenance guidelines. Bosch provides necessary tools for teachers and students and conducts renewal activities for the center. The Center aims to provide the best education to students, including relevant business experience, and fulfill qualified workforce needs of the automotive industry. In 2014, over 50 students were trained at the Center; 17 graduated for the first time, 27 completed internships at Bosch Car Services, and 3 were hired. The continuous dialogue with the graduates and students will become more regular in 2015 through meetings with service concept teams, where students will be provided with information regarding the sector and the business world

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# **Looking back at** 2014

### **January**

Bosch Thermotechnology Turkey won the first place in SEVAP Competition



Among industrial establishments, which have consumption values between 1001-5000 TEP, Bosch Thermotechnology Turkey won the first place with its 'Final Test Station Heat Recovery System Project' in the Sevap-2 category of 'Improving Energy Efficiency in the Industry' competition, organized by the Republic of Turkey Ministry of Energy and Natural Resources. The project enables TL 167,000 energy savings and 468 tons/year reduction in CO2 emissions.

The rewarding ceremony was held in the WOW Convention Center within the scope of 5. Energy Efficiency Fair and the Bosch Thermotechnology Turkey Technical Plant Manager İrfan Bayrak received the award from Taner Yıldız, Republic of Turkey Minister of Energy and Natural Resources.

### **June**

Superior technology with Euro6 emission standards will be produced in the new Bursa facilities of Bosch



The opening ceremony for the new Bursa facilities of Bosch, which will produce diesel injectors with the most advanced technology and Euro6 emission standards, was held on 10 June 2014. Bosch will invest TL 850 million (€300 million) in 2013-2015 and create employment opportunities for approximately 500 people. In the ceremony, participated by Fikri Işık, Republic of Turkey Minister of Energy and Natural Resources, President of Bosch Turkey and Middle East Steven Young held a speech, highlighting the trust of Bosch to Bursa facilities, which proved the importance it attaches to high quality and collaborations, with this investment.

### November

BTSO Export Award to Bosch Rexroth Turkey

In the 41. 'Establishments Adding Value to Economy-2014' awards, organized by Bursa Chamber of Trade and Commerce (BTSO), Bosch Rexroth Turkey was honored

in the Export category. In the awards ceremony, held for 8 different categories and 74 prizes, companies which guided the economy of Bursa, the production and export city, and added value to Turkey, were rewarded. Bosch Rexroth Turkey General Manager Servet Akkaynak received the award.

### November

Bosch Sanayi Ticaret A.Ş. signed the UNGC



Bosch Sanayi ve Ticaret A.Ş. signed the United Nations Global Compact (UNGC), which aims to facilitate a joint development culture in the business world, on 5 November 2015, thereby made a commitment to the 10 principles in Human Rights, Labor, Environment and Anti-Corruption and declared it publicly.

For more information, please visit csr.bosch.com and bosch.com.tr.

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# Activities – an overview

Robert Bosch GmbH has been a member of the United Nations Global Compact since 2004, and Bosch Sanayi ve Ticaret A.Ş. since 2014. They are 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 2014 reporting period in relation to these ten principles of responsible corporate governance.

Principle	Global Basis/Goals	Global Actions	Global/Turkey Results
<ul> <li>Human rights</li> <li>Principle 1: Support and respect human rights</li> <li>Principle 2: No complicity in human rights abuses</li> </ul>	Corporate objective: 1,000 supplier audits by the end of 2020	Supply chains: Conducting environmental and occupational safety audits and auditing supplier portfolios	367 audits conducted since 2010
	Code of Business Conduct  Basic principles of social responsibility at Bosch  Bosch purchasing guidelines	Bosch Global Supplier Award: Awarding the best suppliers  Purchasing guidelines: Imposing sanctions on suppliers	Award is given out every two years and will be again awarded in 2015  Suppliers have made improvements where needed; until now, sanctions solely due to sustainability issues have not been necessary  Bosch Turkey Performance
	Mission statement "We are Bosch"		Bosch Sanayi ve Ticaret A.Ş. signed the UNGC on 5 November 2014.  Bosch Turkey conducted the Workshop for Employees, Decent Work and Human Rights Policy on 5 June 2014
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	Corporate objective: Women to fill 20 percent of management positions by 2020  Bosch Human Resources System (BHS)  Guidelines for a flexible and family-friendly work culture	<b>Diversity management:</b> Group-wide programs to promote diversity and attract the best staff have been continued and expanded	<ul> <li>In 2014, the share of female executives stood at 12.9 percent</li> <li>China has already reached a 23 percent share of women in management positions; in Spain, the figure is 21 percent</li> <li>In Germany, one in four apprentices is female</li> <li>First international "Bosch Diversity Day" at more than 200 participating locations</li> <li>2,200 foreign assignments per year</li> </ul>
Principle 6: Elimination of discrimination	Mission statement "We are Bosch"	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	<ul> <li>Senior experts work around 50,000 days per year</li> <li>Number of retirees who work as senior experts: 1,600</li> </ul>
		<b>Cultural consultants:</b> Bosch associates act as experts for intercultural cooperation and advise colleagues who are going abroad	At present, there are some 200 cultural consultants at Bosch
		Committed associates: Bosch associates founded "Primavera – Hilfe für Kinder in Not e.V." in 1990; the aid organization aims to promote education for disadvantaged children in developing countries around the world	Donation volume of more than 650,000 euros in 2014     Up to now, 880 members and some 30 projects in 12 developing and emerging countries     More than 8 million euros in donations since the organization was established
		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 US	In 2014, the Bosch Group donated a total of 12.6 million euros

Deinsinle	Clobal Basis/Cools	Clobal Actions	Clobal/Turkov Bosults
Principle	Global Basis/Goals	Global Actions	Global/Turkey Results
Principle 3: Uphold freedom of association     Principle 4: Elimination	Corporate objective: Women to fill 20 percent of management positions by 2020  Bosch Human Resources	<b>Dual training:</b> The Bosch training model has been established in more than 20 countries around the world	<ul> <li>Bosch has some 6,900 apprentices around the world, of which almost 2,000 are outside of Germany</li> <li>Last year, about 90 percent of apprentices in Brazil graduated to jobs at Bosch; more than 1,400 apprentices have been trained there since 1960</li> </ul>
of all forms of forced and compulsory labor  • Principle 5: Abolition of child labor  • Principle 6: Elimination of discrimination	System (BHS)  Guidelines for a flexible and family-friendly work culture  Mission statement "We are Bosch"	Flexible working culture: A greater focus is being placed on results rather than on physical presence	Over 100 work time models across hierarchical levels, including part-time work, telecommuting, and job-sharing Standardized rules with regard to telecommuting, as well as to personal use of e-mail, telephones, and Internet at work
		Supporting schoolchildren: Initiatives to spark children's interest in technology	<ul> <li>A Girls' Campus is organized each year that provides around 35 schoolgirls insights into the global provider of technology and services</li> <li>As part of the Wissensfabrik initiative, Bosch participates in some 250 educational partnerships</li> </ul>
		New training positions: Bosch combats youth unemployment in southern Europe	As part of an occupational training initiative to fight youth unemployment in southern Europe, Bosch took on 50 Spanish apprentices in Germany, and offered another 50 apprenticeships to young people in Italy, Portugal, and Spain     In total, Bosch announced more than 1,300 apprenticeship openings in Germany
		<b>Promoting innovative spirit:</b> With its corporate suggestion scheme, Bosch relies on the innovative strength of its associates	Bosch was awarded the DeutscherldeenPreis 2014 for the best ideas management among automotive suppliers     In total, 21,900 associates submitted suggestions for improvement in Germany, which were rewarded with a total of 7.7 million euros
			Bosch Turkey Performance  Bosch Turkey employees have the rights for association and collective bargaining within the scope of laws and regulations.
			Overtime work at Bosch Turkey is conducted on a voluntary basis only and conformity to legal working hours is audited regularly.
			All related risks within the scope regarding child labor are managed with necessary audit mechanisms.
			Bosch Turkey is against discrimination of any kind.     Diversity is considered an asset and encouraged at all levels. Within the scope of this strategy, the 'Diversity Day' event is organized at Bosch Turkey.
			Bosch Diesel and Gasoline Systems Bursa Factory was awarded with the 'Equal Opportunity Model Certificate' by the project conducted jointly by KAGIDER and the World Bank due to its sensitivity to female-male equality and the opportunities provided to female employees
Environmental		CO <sub>2</sub> reduction: Targeted reduction of	• Relative CO <sub>2</sub> emissions have been reduced by
protectio	Corporate objective: Cut relative CO <sub>2</sub> emissions	relative CO <sub>2</sub> emissions at production locations around the world	19.9 percent compared to 2007  • Absolute reduction to 2.5 million tons
Principle 7: Precautionary environmental protection	by 20 percent by 2020  Guidelines for occupational		(-3.3 percent) compared to 2007 • Environmental/Safety portfolio makes up 40 per-cent of Bosch Group sales
Principle 8: Initiatives to promote greater environmental responsibility  Principle 9: Development and distribution of environmentally-friendly technologies	safety and environmental protection  Bosch Product Engineering System (BES)	Sustainable research and development: Continuous investment in the further development of products that conserve resources and protect the environment  ISO 14001: Bosch locations certified with this international environmental management system standard	In 2014, nearly 55 percent of Group-wide R&D expenditure went toward sustainable products 4,593 patents were filed around the world
	Bosch Production System (BPS)		All production and development sites have implemented the management system, just under 200 of them have thus far been certified
	Design for Environment (DfE)		
	Mission statement "We are Bosch"		

Principle	Global Basis/Goals	Global Actions	Global/Turkey Results
Environmental protectio  • Principle 7: Precautionary environmental protection  • Principle 8: Initiatives to		Climate-friendly locations: Many locations have made progress with regard to climate protection thanks to energy- efficient technology	As a result of efficient technologies and the use of renewable sources of energy, the annual $\rm CO_2$ emissions of the following locations were significantly reduced, among other things: Reutlingen (10,000 tons), Schweinfurt (2,500 tons), Nurnberg (1,800 tons), Schwieberdingen (1,600 tons), Rodez (600 tons)
promote greater environ- mental responsibility  • Principle 9: Development and distribution of environmentally-friendly technologies		Energy efficiency Wiki: Especially successful concepts are shared via a Bosch-wide Wiki	The current examples for energy reduction include topics such as lighting, compressed air, heating, cooling, electric current, or other forms of energy. When buying new machinery, purchasing takes the energy efficiency targets that have been set out in writing into account.
		<b>Model factory:</b> Bosch is working toward the energy-saving factory of the future in industrial and research partnerships	Bosch took part in the state-funded "Energy-efficient factory for interdisciplinary technical and applied research" at Darmstadt Technical University     The aim is to reduce energy consumption in industrial production. The parties involved see energy savings potential of up to 40 percent     The foundation stone for the energy-efficient model factory was laid in 2014
		Technology for the energy turnaround: Megawatt and hybrid batteries are being developed that will enable the integration of renewable sources of energy	Europe's largest hybrid battery went into operation with the aim of optimizing the use of power generated at the Braderup wind park in Germany
		Savings in heating and cooling: Bosch Packaging Technology is developing energy recovery concepts	A new patented energy recovery concept for hot water shower sterilizers enables energy savings of up to 40 percent for heating and 60 percent for cooling
		Energy-efficient packaging technology: Bosch Packaging Technology seals pack- ages with ultrasound technology	New machines for the packaging of chocolate bars, cookies, and other foods save some 390,000 square meters of plastic foil each year
		Second Life Batteries project: Energy storage systems are making e-mobil- ity more viable	In Hamburg, Bosch, BMW, and Vattenfall have created an energy storage system with a capacity of two megawatts; to do this, the project partners connected more than 100 used batteries from electric vehicles to each other
		Changing lanes safely: Rear mid-range sensor has gone into series production	The MRR rear radar sensor reliably detects other road users in the vehicle's blind spot
		More efficient electric and hybrid vehicles: OpEneR, a European research project, aims to increase the range of electric vehicles	Bosch headed the EU-funded project, which was completed in 2014. Results: • energy savings of up to 30 percent thanks to eco-routing • energy savings of up to 36 percent thanks to optimized driving strategies
		<b>Eco.Logic Motion:</b> The Bosch technology reduces the fuel consumption of coaches	The technology is now in series production with a Daimler coach, and has resulted in average fuel savings of more than nine percent
			Bosch Turkey Performance     The Energy Efficiency School at Bosch Sanayi ve Ticaret A.Ş. Diesel and Gasoline Systems factory provides training to create sensitivity on energy efficiency and to collect practical ideas for improvements in energy use by increasing employee awareness.     The Diesel Injectors R&D Center at the Bursa factory of Bosch Sanayi ve Ticaret A.Ş. develops new technologies in line with the 'Nature-Friendly Technology' strategy of Bosch.
Fighting corruption  Principle 10: Work against corruption	Member of Transparency International e. V. (since 1995)  Member of the Forum Compliance & Integrity (since 2007)  Code of Business Conduct	Whistleblower portal: A portal in which internal and external stakeholders can report breaches of compliance (abidance to the legal and internal regulations of business activities)	Associates (including interns and PhD students), externals (e.g. temporary workers, employees of external service providers), business parties (e.g. suppliers, clients or cooperation partners), and other third parties can report breaches of compliance
		Compliance training: Active awareness raising	Mandatory compliance training includes lessons on Code of Business Conduct, product liability, anti-trust laws, and export controls
	Mission statement "We are Bosch"		Bosch Turkey Performance In 2008, Bosch has documented its rules, identified as fundamental values, in the Code of Ethics. It covers 9 basic topics including bribe and corruption.

### Further key principles for sustainable activities in the Bosch Group:

"We are Bosch": Objective, motivation, strategic focal points, strengths and values

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 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 and Bosch Turkey, excluding the former joint venture companies BSH Bosch und Siemens Hausgeräte GmbH (now: BSH Hausgeräte GmbH), and ZF Lenksysteme, GmbH (now: Robert Bosch Automotive Steering GmbH) that have been taken over in the meantime, including their Turkey operations. It therefore serves as a progress report as part of the Group's and Bosch Turkey's membership of the UN Global Compact.

### Reporting period

The reporting period covers January 2014 to spring 2015. The cut-off date for global figures is December 31, 2014. The editorial deadline was April 1, 2015.

#### Memberships (examples)

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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# **Global figures** 2014

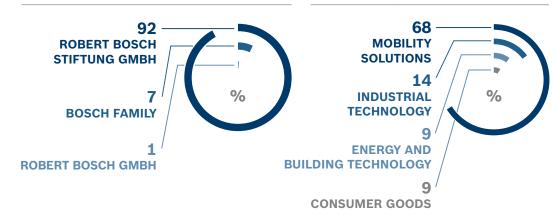
Sales

billion euros

+6.3% year-on-year

### **Shareholder structure**

### Sales by business sector





### **CORPORATE TARGET**

20% reduction of CO, emissions (relative)

by 2020 over 2007 levels

**Status 2014:** -19.9%



by 2020

Status 2014: 12.9%



1,000 environmental and social audits

of suppliers by 2020

**Status 2014:** 367 (since 2010)



3 accidents per million hours worked

by 2020 compared with 2007 (6.8)

Status 2014: 3.1

R&D expenditure

billion euros

+0.4 billion euros year-on-year

**Earnings** after tax

billion euros

+1.4 billion euros year-on-year

Investments in fixed assets

billion euros

+46 million euros year-on-year

Personnel expenses

billion euros

+0.4 billion euros year-on-year

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# **Global figures** 2014



CO, emissions absolute

**Energy consumption** 

Waste volume

Water consumption

Ongoing environmental protection costs

**Environmental protection investments** 

2.5 million metric tons

-3.3% over 2007

6,102 gigawatt hours

-9% over 2007

471,639 metric tons

-9.5% over 2007

17.2 million cubic meters

-0.9% over 2007 -0.9% over 2007

104.9 million euros

36.5 million euros

+72.5% over 2007



Patent applications

4,593

**Environmental/Safety portfolio** 

40%

Share of Group sales

**55%** 

Share of R&D expenditure



Number of associates

290,183

**Training days** 

**Training participants** 

**Training expenditure** 

**663,000** +13.9% over 2007

515,000

+24.7% over 2007

200 million euros

-9.1% over 2007

Voluntary resignation

5.9%

+25.5% over 2007

Days lost due to accidents

23,533

**Number of accidents** 

1,664



### **Bosch Group donations** to charitable causes

**12.6** 

million euros

### Regional involvement

Bosch Community Fund (Farmington Hills, USA) 3.0 million euros Bosch China Charity Center (Shanghai, China) 1.4 million euros Instituto Robert Bosch (Campinas, Brazil) 1.0 million euros Bosch India Foundation (Bangalore, India) 0.3 million euros

Sponsorship volume of **Robert Bosch Stiftung GmbH**  68.2 million euros for 800









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

bosch.com bosch.com.tr csr.bosch.com sustainabilityblog.bosch.com



Cover picture:

Bosch produces radar sensors in Reutlingen, Germany. They are at the core of many high-performing driver assistance systems.