

# Bosch Group Policy for Conflict Raw Materials



By joining the United Nations Global Compact Initiative in 2004, the Bosch Group emphasized the importance of Corporate Social Responsibility (CSR). For Bosch, CSR includes, especially, the protection of human rights and the environment, compliance with health standards and labor laws, as well as ethical business conduct. In this context, we promote the procurement of materials with consideration of their impact on environmental and social factors.

For the development of effective countermeasures against existing social issues in the supply chain, we believe cooperation amongst industries using conflict raw materials is important. Amongst other initiatives, Bosch joined the Responsible Minerals Initiative (RMI) in 2014 to support an industry-wide approach for mineral reporting and supplier education activities.

We demand from our suppliers respect and compliance with existing legal requirements concerning the mining of raw materials in conflict and high-risk territories – so called “conflict minerals” defined for instance in the Dodd-Frank Act and respective EU-regulations. The classification “conflict minerals” includes, independently of their geographical origin, the minerals cassiterite, coltan, wolframite, and their derivatives tin, tantalum, tungsten, as well as gold (together known as 3TG). These raw materials are often mined with the risk of human rights abuses, as well as the risk that armed conflicts will be financed by the sale of these minerals.

Bosch does not directly source any of these minerals from mines in the high-risk territories or elsewhere, in fact the supply chain of these materials consists of many tiers. Before any product reaches our factories, the supply chain includes many stages including mines, smelters, traders, exporters, refiners, alloy producers and component manufacturers. Thus, Bosch supports the approach of validating smelters and refiners for 3TG, as they play a key role in the supply chain from the mining site to the final product. Within this approach, Bosch respects the OECD’s “Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.” Considering these OECD principles, we ask our respective suppliers to report the origin and the certification status of the smelters and refiners involved. We regularly report the outcome of our data collection and analysis of the certification status. Relevant suppliers and sub-suppliers are asked to collaborate with smelters and refiners that are conformant with the Responsible Minerals Assurance Process (RMAP) by RMI. The RMAP identifies smelters and refiners that can verify that their

raw materials do not originate from suppliers contributing to conflicts in the high-risk areas. We also highly encourage our suppliers to participate in the RMI or similar relevant industry initiatives with the intention to improve the conditions in the extractive industry.

Our suppliers shall confirm compliance with the UN Global Compact Initiative and with the principles of our Robert Bosch “Code of Conduct for Business Partners” as well with their suppliers, or Bosch’s sub-suppliers. If necessary, Bosch requests full transparency of critical supply chains and reserves the right to conduct assessments or audits of suppliers at risk.

With respect to further raw materials containing the potential for negative environmental and social impact, we are regularly monitoring related risks and counteract them accordingly, under consideration of the OECD guidelines and existing legal frameworks.

## THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT

### Human Rights

- ▶ Businesses should support and respect the protection of internationally proclaimed human rights; and
- ▶ Make sure that they are not complicit in human rights abuses.

### Labour

- ▶ Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- ▶ The elimination of all forms of forced and compulsory labor;
- ▶ The effective abolition of child labor; and
- ▶ The elimination of discrimination in respect of employment and occupation.

### Environment

- ▶ Businesses should support a precautionary approach to environmental challenges;
- ▶ Undertake initiatives to promote greater environmental responsibility; and
- ▶ Encourage the development and diffusion of environmentally friendly technologies.

### Anti-Corruption

- ▶ Businesses should work against corruption in all its forms, including extortion and bribery.