

March 22, 2023
RF 11626_e MR

Bosch Power Tools:

With strong partners into a more sustainable future

Speech by Henk Becker,
President of Bosch Power Tools

at the press conference
in Leinfelden on March 22, 2023

Check against delivery.

Robert Bosch GmbH
Postfach 10 60 50
70049 Stuttgart,
Germany

Corporate Department
Communications &
Governmental Affairs
Email
Manuel.Roj@bosch.com
Phone: +49 711 758-3396

Executive Vice President:
Prof. Christof Ehrhart
www.bosch-press.com

Ladies and gentlemen,

Welcome to the Bosch Power Tools Media Event for 2023! Thank you for joining us today! These are challenging times – for all of us. The war in Ukraine and the impact of the coronavirus pandemic, especially in China, have triggered chain reactions that significantly affected our business as well in the past year. Prices of raw materials and energy continued to rise, exchange rates were highly volatile, and many countries saw the highest rates of inflation in decades. In light of rising costs and fears of recession, consumers' purchasing behavior has changed. The DIY boom has come to an end, which has significantly reduced demand. Beyond that, the construction industry is also suffering as a result of rising costs for construction materials and transportation, higher interest rates, and lower willingness to invest.

This economic environment has been, and remains, very challenging for us as well. What has helped us, and what we can continue building on in the future, is our very strong brand and the trust that users place in us. We have just seen that confirmed once again at the Best Brands Awards. What makes this award special is that it is decided not by a jury, but instead based on a representative consumer survey conducted by the market research firm GfK. Twelve thousand consumers participated.

Over the past 20 years, we have placed in the top ten (or even the top three) an above-average number of times, which is a wonderful result! That has now earned us recognition in the “Best of the Best Brands” anniversary category, which highlights how well individual brands have performed over the past 20 years. There are two main operative factors here: “Share of Market,” which means a brand's actual economic success, and “Share of Soul,” or the brand's appeal as perceived by consumers. We are very proud that the success of the Bosch brand, its credibility and reliability, are shaped to a decisive degree by the solid market position of Bosch Power Tools. As you still may remember, we were already delighted to be named “Best Brand Overall” in 2021.

Seventy-two percent of respondents indicated that they trust Bosch as a brand of power tools – the highest value across all brands. These awards motivate us to continue to focus on the needs of our users and to offer them added value. We make hard work easier for professionals and help our DIYers to realize their ambitions and sense of “Home made by you”.

Beyond that, we are securing growth opportunities worldwide and strengthening our international presence in this persistently challenging environment by making strategic investments. Last year, we invested more than 300 million euros for future growth in our value chain and our product portfolio. This included, for example, the expansion of the strong accessories business, infrastructure projects to boost capacity, and the further extension of the company’s two multi-brand 18V battery systems: the Power for All Alliance for applications in and around the home, and the AmpShare Alliance for professionals in trade and industry. I will come back to both alliances in detail later on.

Our investments were instrumental in helping us grow last year despite massive cost increases for materials and logistics, for example, and a very tense earnings situation. We even managed to surpass our sales figures for 2020 and 2021, both record years, by another 3 percent, bringing us up to 5.9 billion euros. In light of the special circumstances surrounding it, we can be satisfied with this performance. At the same time, we are looking ahead: We plan to more than double our sales at Bosch Power Tools by the end of this decade.

For this year, we once again plan to invest a nine-figure sum. One of our focus areas is North America, which makes up more than 40 percent of the worldwide power tool market. By sharpening our product portfolio to best meet the needs of North American users and expanding our marketing activities and sales structures, we plan to boost our appeal amongst existing target audiences and to expand into new segments.

As we look ahead, it is important not to lose sight of long-term trends, especially in light of the fast-paced changes taking place in the here and now. Demographic change, globalization, and climate change are all megatrends that will have a range of different economic, environmental, and social effects. With so many different factors in play, many companies have decided to focus on their core business. Overarching goals like climate action can fall by the wayside in those cases. Let me show you a [video](#) from the World Economic Forum to illustrate why we cannot let that happen.

As we just saw, we are already in the middle of a massive climate and biodiversity crisis. There are many challenges we need to tackle. As part of the Bosch Group, our goal is to balance economic factors with environmental ones. Sustainability is a core part of our values, and it has been an integral element of our corporate culture for decades. In keeping with this commitment, we have already reached important milestones. In 2020, Bosch became the first global industrial company to achieve complete climate neutrality. In terms of Scope 1 and Scope 2, all 400 administrative, research, and production sites around the globe no longer have any footprint when it comes to CO₂ and equivalent greenhouse gases, known as CO₂e for short. The same is true of the Bosch Power Tools locations, of course.

We have defined four levers for making climate neutrality a success: improving energy efficiency, generating more energy from renewable sources, expanding the purchase of green electricity, and – as a last resort – offsetting unavoidable CO₂e emissions with carbon credits. Between now and 2030, we plan to continuously optimize the mix of these four levers.

Beyond that, we will relentlessly pursue the reduction of upstream and downstream emissions (Scope 3) that lie outside our immediate sphere of influence. Our goal is to bring that figure down by at least 15 percent from the 2018 baseline by 2030. These Bosch climate targets have been scientifically derived, plus they have been validated and confirmed by the Science Based Targets initiative (SBTi). At Bosch Power Tools, we consider the entire value

chain in relation to Scope 3. The main emphasis is on product design, the materials used, the packaging, and models of the circular economy.

We believe that business and responsibility go hand in hand. That is why we are forging ahead with our commitment to sustainability and speeding up our transformation. I am especially pleased to be able to announce an important long-term partnership to you today: Bosch Power Tools and WWF Germany will be working together!

World Wide Fund For Nature (WWF) is one of the biggest, most experienced conservation organizations worldwide. For more than 60 years now, it has been working around the world to preserve biodiversity. It is a private and independent organization that operates in nearly 100 countries to protect the natural world. What unites us is the idea of shaping a better future. We firmly believe that WWF Germany is just the right partner to accompany Bosch Power Tools on our transformational journey to becoming an even more sustainable company. With that, let me give the floor briefly to Heike Vesper, who is a member of the executive management of WWF Germany and is responsible for the area of 'transformation & policy'.

As you just heard, we are teaming up with WWF Germany to advance our existing sustainability strategy and make an effective contribution to alleviating the climate and biodiversity crisis. Our partnership is intended as a long-term arrangement lasting at least five years. It will have several modules.

First, we will be supporting four conservation projects of WWF Germany in Asia – the world's workbench – to help make a direct contribution to combating the climate and biodiversity crisis. One area of focus there will be reducing and eliminating plastic waste, which is one of the world's biggest issues. I will come back to that in detail in a moment.

Second, we will be entering into critical, focused dialogue with the experts from WWF Germany in areas of our value creation that are relevant to sustainability. That includes, for example, the climate and packaging strategy, as well as issues relating to the circular orientation of our company. To get there, we will go through the 'One Planet Rating' process of WWF Germany in addition to the already done analysis of the current situation. The One Planet Rating looks at our sustainability performance across four key dimensions: climate, fresh water, biodiversity, and human rights. Based on the identified need for action, we will work together to come up with suitable objectives and effective measures so that we can set out on an appropriate path of transformation.

Third, we will provide our associates with further sensitization and training about sustainability. This includes aspects such as learning modules of WWF Germany on climate change and its effects, along with individual measures relating to how each and every associate can think and act more sustainably in their daily lives in the areas of energy, mobility, and nutrition.

As I mentioned before, one of the main focal points of our partnership will be eliminating plastic waste. Why is plastic such an important topic? It poses two key challenges worldwide.

First, we need to dramatically reduce or even eliminate the CO₂e emissions that are generated when plastics are produced, and which are a major driver of climate change.

Second, the disposal of plastics is a huge challenge, as is properly bringing them back into the circular economy.

In other words, plastic waste is an unsolved global problem. According to the Organisation for Economic Co-operation and Development (OECD), over 90 percent of plastic waste worldwide was *not* recycled in 2019. Most plastic is produced for single-use products and packaging. The OECD expects worldwide plastic consumption to rise from 460 million metric tons in 2019

to 1.2 billion metric tons in 2060 – if nothing changes. Given the hypothetical average use, and a population of 85 million in Germany, that would mean going from 5.5 kilograms per capita to more than 14! That is exactly where the Global Plastics Treaty, which is endorsed by WWF Germany and others, comes in. The UN members states unanimously resolved at the United Nations Environment Assembly in March 2022 that a globally binding agreement intended to put an end to plastic pollution should be drafted by 2024. The agreement is to set out standards and measures covering the entire plastic life cycle, from raw material to product design and recycling. The goal is to ensure that not as much plastic is produced in the first place going forward.

Plastics are found in practically every area of our lives these days. They play an important role at Bosch Power Tools too. They are an integral element of almost every product, and they significantly increase our CO₂e footprint. That's something we want to change!

We are aware of our responsibility and are constantly working to reduce our environmental footprint. Through various projects, we have now taken key steps along the way across all our product areas, such as cutting down on virgin plastic, increasing the proportion of recycled material used in our products, and eliminating unnecessary components like single-use polybags.

In Home & Garden, we introduced cases made from recycled plastics back in 2019. Products made from recycled plastics consume less crude oil to make, so they are less of a CO₂e burden on the environment. This helps us conserve just over 1,000 metric tons of virgin plastic each year.

In the Garden business, we started shifting from plastic blister packaging to cardboard packaging in 2020, which eliminates about 50 metric tons of plastic waste per year. Size optimization is another important factor. The goal is to conserve resources and material as a basic principle. This makes it possible to transport more tools per pallet, for example, which has a positive effect on

transportation and thus on our overall CO₂e footprint. As you can see, we always look at the entire value chain, as even the seemingly small changes add up to make a big impact!

What started as a pilot project in Home & Garden is now reflected across all our business units – from measuring tools and our professional tools, to the Dremel brand and our accessories. It is important to understand that this is not a blueprint. Every project has its own parameters and challenges.

Especially because there are so many different aspects to consider, we are very proud of what we have already achieved and are working on right now:

- In the space of four years, we have already eliminated 7,230 metric tons of virgin plastic – about the same weight as the steel structure used to build the Eiffel Tower!
- Starting this year, we will be eliminating up to 4,050 metric tons of virgin plastic every year. That works out to the tare weight of a little over 1,000 40-foot shipping containers.
- We have also been using fewer polybags in our packaging since 2020. If we were to lay all the bags we previously used to pack items such as batteries on top of each other, the stack would reach more than twice as high as the Eiffel Tower.
- In addition, we are also reducing the materials used as fillers in transportation, which alone will cut our plastic use by 110 metric tons this year.

Our pioneering product here, and a milestone in sustainable product development, is the [Quigo Green](#) cross-line laser. It was our first measuring tool with a housing and accessories made from 90 percent recycled plastic. A major area of focus as far back as during product development was reducing the CO₂e footprint for the entire product, including accessories and packaging.

To get there, the first step was to identify the biggest CO₂e hotspots in the existing tool by analyzing the product life cycle. Using these analyses, we assess the environmental impact of our products across the entire value chain, from production of the necessary raw materials to manufacturing and actual use, and beyond to the recycling of the product. How exactly do we do that? We break down our power tools into their individual components and take a closer look at them with an eye to their CO₂e footprint. That lets us know where we need to dial in to make a product more sustainable and improve future generations of products. Our Quigo Green went through this process too.

We learned an incredible amount from the Quigo project, and it was the first time we managed to put *all* the measures I introduced earlier into action at once:

- We use recycled material, which cuts our use of virgin plastic for the housing and accessories by 90 percent.
- We use size-optimized packaging that is also optimized for transportation and is made from 70 percent recycled paper.
- We use no plastic films at all in the packaging.
- Beyond that, we have also optimized the electronics in the Quigo Green so that it needs 50 percent less energy than its predecessor.

Now we are going one step farther and translating this sustainable product concept to our entire measuring tools portfolio for DIYers! Our product range in this segment will encompass 23 tools and eight accessories in all at that point – all of them as simple and easy to use as before, but more sustainable than ever! But don't just take my word for it. See for yourself in the video!

Key insights on sustainability that we gleaned during the Quigo Green project are now going into the entire product range:

- We are using as much recycled material as possible for all product housings, both for the rigid plastic parts and the metal ones.
- Whenever possible, the soft grip is also made from recycled plastic.

- All our packaging is made from at least 70 percent recycled materials. Our goal is a figure of at least 90 percent.
- The paper and cardboard for user instructions and brochures is already made from 100 percent recycled material, as is the PET used in our protective bags. It accounts for about 70 percent of the total materials.
- We've completely eliminated polybags from all our user-facing packaging.
- We've also optimized all our packaging for transportation so that it takes up as little space as possible, which makes optimum use of available pallet space. That helps us save on warehousing and transportation costs, which in turn lowers our CO₂e emissions.

In addition, we have also enhanced and refined our products with an eye to their functions and ease of use.

Let me assure you of one thing: We are working relentlessly to make our entire product portfolio more sustainable. The insights we have gained so far, for example regarding the opportunities and limitations of recycled materials, continue to flow into our processes and production. Our goal is to be a role model for the industry and to motivate everyone to do their part for a better living environment.

You might recall what I said at the beginning: What we build on is strong partners who contribute their expertise on a long-range basis to develop and establish solid concepts and solutions. That's especially true of the multi-brand use of batteries in tools from different manufacturers, which conserves resources. This is a topic we have been dedicating ourselves to for years now, with tremendous passion and conviction.

Together with our partners, we offer users two different battery systems in the 18V segment, which is the one used the most. First, there is the Power for All Alliance, for applications in and around the home. And second, there is the AmpShare Alliance, which covers tools for professionals in trade and industry. Because the same battery can be used across different brands, both

target groups save money, space, and time with each of these systems, the one for the do-it-yourself segment and the one for the professional segment. That also lets them contribute to greater sustainability since they ultimately need fewer batteries and chargers.

Let's take a look at the DIY segment first. Users who choose the Power for All Alliance can use the very same 18V battery to operate power tools, garden tools, and home appliances from Bosch, as well as products from the Gardena, Gloria, Wagner, Rapid, Steinel, Flymo, Kübler Workwear, and PerfectPro brands. Last year, we also managed to bring Husqvarna in as another strong brand for our Power for All Alliance. We already offer more than 100 tools as part of our alliance. Our shared goal is to offer users the biggest cross-brand battery system, and thus the widest range of applications for their homes: DIY tools, garden and cleaning tools, home appliances, products for coating surfaces, for leisure time and camping – and much more. The number of tools in the system and the number of partners is growing steadily. I can tell you now that we are already in talks with other well-known potential partners. You may be surprised. We'll let you know more soon.

We have also decided to further strengthen this close cross-brand cooperation by making an investment. Just a few weeks ago, Bosch announced that it had signed an agreement for a stake of about 12 percent in Husqvarna AB. The long-established Swedish company markets not only the Husqvarna brand, but also other successful brands such as Gardena (a founding member of the Power for All Alliance) and Flymo. This will give us additional impetus in the area of battery collaboration. Together, we plan to write the next chapter in our success story, strengthen the Power for All Alliance, and continue to grow!

For the professional segment, we and our partners in the AmpShare Alliance already offer more than 200 professional tools. More than 25 brands are part of the alliance today. All of them, like our founding members Fein and Rothenberger, are experts in their field. Take Fischer, for example, the world

technology leader in key fields of fixing technology, and Klauke, which specializes in tools for crimping, cutting, and punching. We have ambitious goals ahead for ourselves in this regard too. By the end of this year, we plan to offer more than 300 compatible tools for trade and industry in the AmpShare Alliance. This will involve as broad and complete a product range as possible, across all operating units and trades. We are paying special attention to developments in structural engineering, plumbing, heating, ventilation, and air conditioning, as well as in electrical installation, metalworking, interior work, roofing, and wood-framed construction. The goal is to make our users' hard work as easy as possible so that they can optimally meet and fulfill the increasingly stringent requirements of the construction industry. Amid climate change, which we discussed at the start, there is a special focus here on sustainable building and renovation.

To this end, we are steadily expanding our product range. That's why I'm especially pleased to be able to introduce three additional brands today that have joined the AmpShare Alliance: Aircraft, Cleancraft, and Steinel will be adding to the portfolio and contributing expertise in compressed air and cleaning technology, as well as thermo tools. The Stürmer Maschinen GmbH product range includes products such as piston and screw compressors under the Aircraft brand, along with vacuum cleaners for a variety of demands, floor cleaning machines, high-pressure washers, water pumps and more under the Cleancraft brand. As part of the AmpShare Alliance, our partner will be forging ahead with cordless power tools. Steinel is also betting on battery technology, and specifically the 18V segment. They specialize in applications such as hot air tools and hot glue applicators and will be presenting their first tools within the AmpShare Alliance soon.

With each new manufacturer and each new brand, we are making it easier for users to fill their toolboxes with exactly the tools they need. Each partner brings their own expertise and special knowledge to this alliance, thereby enriching the whole portfolio. We already have just under 30 brands in the AmpShare Alliance. Additional manufacturers will follow later this year. We'll

keep you posted, of course! Together with our partners, we are creating a battery system professional users can build on. Many brands. Many tools. One battery system. That is our way of making hard work easier!

What's more, we are also constantly expanding our own range of cordless products. You'll get the chance to try out some key new 18V innovations from us for yourselves shortly. In the DIY segment, for example, we are unveiling new saws and the first volume pump in our product range. We have new product categories in store in the professional segment as well. Get ready for a real treat! You can also take a closer look at our new sustainable measuring tool range as well, of course.

As always, this selection of innovations represents just a small portion of our vast product range. We launch more than 100 new products every year in our four business fields of power tools, garden tools, accessories, and measuring tools.

As I wrap up for today, let me briefly recap my key points:

- We firmly believe entrepreneurship and protecting our planet should go hand in hand, and we are leading by example.
- We are working consistently and systematically to reduce our environmental footprint and always consider the entire value chain as we do so. Right now, we are in a process of transformation. We've already accomplished some of what we set out to do, and many more goals still lie ahead. It's a truly exciting journey with the goal of balancing economic, environmental, and social challenges as effectively as possible.
- Sustainability is a game changer for us. That is why we are taking this matter to the next level now through our long-term partnership with the WWF Germany and the expertise we have brought in from outside.
- Together with strong partners, we are identifying innovative and effective responses to complex questions – for today, and for a more sustainable future.

Thank you.

Press photo: #9253948c

Contact person for press inquiries:

Dr. Manuel Roj

Phone: +49 711 758-3396

Email: Manuel.Roj@de.bosch.com

The Robert Bosch Power Tools GmbH, a division of the Bosch Group, is one of the world's leading providers for power tools, garden tools, power tool accessories and measuring tools. In 2022, its roughly 20,000 associates generated sales of 5.9 billion euros, about 90 percent of which outside of Germany. With brands such as Bosch and Dremel, the division stands for customer focus and great engineering progress. The core success factors are innovative strength and pace of innovation. In 2023, Bosch Power Tools will again launch more than 100 new products onto the market in its four business segments power tools, garden tools, accessories and measuring tools.

The Bosch Group is a leading global supplier of technology and services. It employs roughly 420,000 associates worldwide (as of December 31, 2022). According to preliminary figures, the company generated sales of 88.4 billion euros in 2022. Its operations are divided into four business sectors: Mobility Solutions, Industrial Technology, Consumer Goods, and Energy and Building Technology. As a leading IoT provider, Bosch offers innovative solutions for smart homes, Industry 4.0, and connected mobility. Bosch is pursuing a vision of mobility that is sustainable, safe, and exciting. It uses its expertise in sensor technology, software, and services, as well as its own IoT cloud, to offer its customers connected, cross-domain solutions from a single source. The Bosch Group's strategic objective is to facilitate connected living with products and solutions that either contain artificial intelligence (AI) or have been developed or manufactured with its help. Bosch improves quality of life worldwide with products and services that are innovative and spark enthusiasm. In short, Bosch creates technology that is "Invented for life." The Bosch Group comprises Robert Bosch GmbH and its roughly 440 subsidiary and regional companies in some 60 countries. Including sales and service partners, Bosch's global manufacturing, engineering, and sales network covers nearly every country in the world. With its more than 400 locations worldwide, the Bosch Group has been carbon neutral since the first quarter of 2020. The basis for the company's future growth is its innovative strength. At 128 locations across the globe, Bosch employs some 85,000 associates in research and development, of which nearly 44,000 are software engineers.

Additional information is available online at www.bosch.com, www.iot.bosch.com, www.bosch-press.com, [www.twitter.com/BoschPress](https://twitter.com/BoschPress).