



# Bosch

## *Foundation-owned companies through the lens of steward-ownership*

### In a nutshell

Entrepreneur, industrialist, and philanthropist Robert Bosch started planning for the long-term ownership of his company decades before his death in 1942. Since 1964, the Bosch Group has been held under a trust-foundation structure that has maintained the innovative strength and social commitment of its creator.

The Bosch Group is one of the leading companies in Germany with over 400.000 employees worldwide. The group has expanded globally since its founding in 1886 in Stuttgart, and now has around 400 subsidiaries and regional companies in approximately 60 countries. Its products are found in all parts of modern life, from cars to homes and smart devices to industrial equipment.

Robert Bosch was not just an engineer and businessman; he built his company with the primary motivation to serve society and progress with technological innovation.



**FOUNDED: 1886**



**STUTTGART, GERMANY**



**SALES: €90.3 BILLION  
(2024)**



**417,900 EMPLOYEES  
(2024)**

**STEWARD-OWNED SINCE: 1964**

**STEWARD-OWNERSHIP MODEL:**  
Trust foundation

For instance, he introduced the 8-hour workday in 1906 (earning him the name “red Robert”) and paid his employees up to 60% better than competitors. In short, he saw a social responsibility in his role as an entrepreneur. To ensure that his understanding of the company and of entrepreneurship as serving a long-term goal would be continued into the future he started to think about the long-term ownership of his company decades before his death.<sup>28</sup>

In an early attempt to secure the company’s future, Bosch tried selling shares to his managers, thinking that it would empower them to steward the company’s mission. But the result was opposed to what he hoped for.

Unfortunately, some of his managers passed away unexpectedly. Now their heirs owned the shares, people who were not involved with the business in any way. This was not what Bosch intended.<sup>29</sup> Additionally, the managers, now financially incentivized, began acting like typical investors, focusing primarily on short-term financial gains rather than the holistic and long-term well-being of the business. This shift in behavior shocked Bosch. Seeing the damage it was causing, Bosch swiftly bought back the shares, determined to find a different path. Another path, family succession, did not sit well with him. Bosch had doubts about whether his direct heirs were the right ones to carry forward his legacy. More importantly, he feared the internal conflicts that could arise within the family, especially once larger future generations might not be actively involved in the company anymore. The last thing he wanted was for his company to become a battlefield of competing interests and personal rivalries, and he wanted to avoid that the company would become a cash machine for the family.

In consequence, Robert Bosch needed another way. On his 80th birthday he announced his wishes for the future of his company: “I ask you to share this spirit of dedication to our common cause [...] and to continue in this spirit, for the sake of each and every associate, and for the sake of the company that, as my life’s work, is so close to my heart.”<sup>28</sup>

So, he set out to create a new governance model that would meet three critical needs:

1. Security for his family, the protection of his company's values,
2. Purpose-orientation and people, and
3. Ensuring that the most capable leaders would always be in charge, passing the company on from one generation of stewards to the next. These thoughts and wishes were put into his will, setting the foundation for the future structure of the Bosch Group.

Over two decades after his passing, Bosch’s vision came to life through a trust-foundation model. The Bosch Group was officially restructured, with one crucial goal: to protect Bosch’s entrepreneurial spirit alongside its philanthropic mission for generations to come.

Bosch’s trust-foundation structure ensures that the company is stewarded by the people who feel most connected and committed to the company’s mission and culture. The structure separates voting and dividend rights, removing any incentive to maximize profit over the company’s long-term success, employee conditions, or environmental impact.

Voting and economic rights were separated into two share classes: 92 percent of the economic rights (including dividend rights and financial value of the Bosch Group) lie in a charitable organization, the Robert Bosch Stiftung gGmbH. The Bosch family held 8% of the company’s shares with economic rights (nowadays, these also lie in charitable entities). 93 percent of the shares with voting rights (A-Shares) are held by a stewarding entity (Robert Bosch KG) led by ten individuals – the steward-owners of Bosch.

These shares cannot be sold or inherited. Instead they are passed from one generation of stewards to the next. 7 percent of the voting rights remain with the family.

Bosch’s steward-owners, and those who followed, are responsible for the company’s continued success and its adherence to its mission.

This structure has secured the company’s lasting entrepreneurial freedom, while maintaining its links to the Bosch family and using its dividends to support charitable and social causes.

Since 1964, the Robert Bosch GmbH (= German private limited company, holding 1% of the dividend rights) has had three shareholders, which today hold the following rights:

### Robert Bosch Foundation (Stiftung):

The Bosch charitable foundation, which donates to causes that were particularly important to Robert Bosch, holds 94% of dividend rights but no voting rights.

### Bosch Industrietreuhand KG (voting rights / stewards):

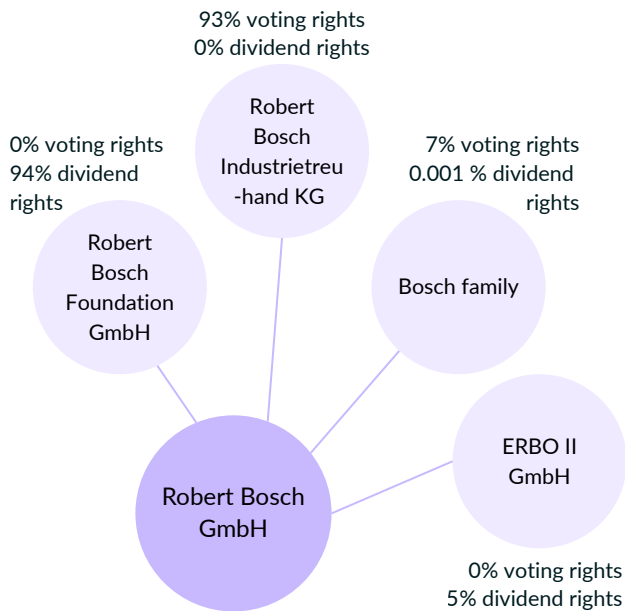
Comparable to a limited liability partnership, the KG owns 93% of voting rights and no dividend rights. There are ten steward-owners of the Industrietreuhand KG who serve for limited periods. These positions cannot be sold or inherited.

### Bosch family:

Since 2021, the Bosch family holds only 0.001% of dividend rights and keeps its 7% of voting rights. Their previous dividend shares were transferred to the Gänseheide-Foundation (within the Robert Bosch Foundation) with 2% and 5.4% were allocated to the non-profit ERBOII GmbH.



## Bosch's ownership structure



This trust-foundation structure permanently protects Robert Bosch's entrepreneurial and innovative humanist mission, and ensures the company will never be sold to external investors. The separation of power (voting rights) and money (economic rights) in the structure ensures that decisions made are never based on personal financial interests. They are also the ones to decide whether dividends are paid out – which would then go to the Robert Bosch Foundation and other non-profits. The foundation and the KG may block each other from selling shares, with or without voting rights, to outsiders. And the Bosch family has no significant influence over the operation of the business.

This ensures the steward-ownership structure is protected for the long-term, and that no one will ever be able to buy the company.

The KG, the majority voting rights holder, controls the company through ten trustee shareholders. Four of these shareholders are current or former Bosch executives, and five are external business professionals who are familiar with the business but bring an outside perspective and one is a Bosch family member.

In 2025, this group includes professors at the ETH Zürich and St. Gallen, the head of the Schwarz Group (e.g., Lidl & Kaufland), board members of the Carl Zeiss AG and other highly experienced individuals. Each shareholder holds one vote, and they are mandated to make decisions unanimously whenever possible. If one of the shareholders turns 72 while serving, he or she is required to retire, to be replaced with a new shareholder elected by the remaining shareholders. Shareholders are always appointed for five-year terms, and have to be reappointed by the other shareholders after that. The KG controls Bosch both directly and indirectly through its selection of supervisory board members and board members. The KG also plays a role in selecting the company's CEO.

## History of innovation

Bosch's trust-foundation structure has helped it become an international leader in industrial and technological innovation. Thanks to its ownership structure, the company has been able to invest heavily in research and development without the pressure of quarterly reports or stock-market valuations. For example, Bosch invested in green technologies decades before they became a trend. Although these investments significantly lowered the company's profitability in the short-term, they have given it a market advantage in the long run.

As former Bosch CEO Franz Fehrenbach explained, "As a shareholder-owned public company, we could not have invested so intensely."<sup>30</sup> The trust-foundation has given Bosch the competitive advantage of patience in its strategic decision-making.

As Robert Bosch intended, he left a lasting legacy of philanthropy, with the Bosch Stiftung funding projects worldwide. These activities reinforce Bosch's reputation as a good corporate citizen, which benefits the company in its branding, recruitment, and employee retention.



Photos: Bosch

“

---

It is my intention, apart from the alleviation of all kinds of hardship, to promote the moral, physical and intellectual development of the people.

– Robert Bosch