
Sustainability @ ZF

From Strategy to Action



Acting now.

Sustainability @ ZF

Moritz Schirm, Sustainability Strategy
Automotive Component Manufacturers Association of India
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Sustainability – business critical for automotive suppliers

Employees & Stakeholders



- Credible **sustainability strategy** is a precondition for talent attraction
- **Public and stakeholders** put higher emphasis on sustainability

Investors & Rating Agencies



- Sustainability as **core criterion** for rating agencies
- Sustainability as prerequisite for **good financing conditions**

Customers & Competitors



- Customers set sustainability targets as **mandatory sourcing requirements**
- Balancing CO₂ and cost effectiveness provides **competitive advantage**
- Opportunities in **new technology fields**

Laws & Regulations

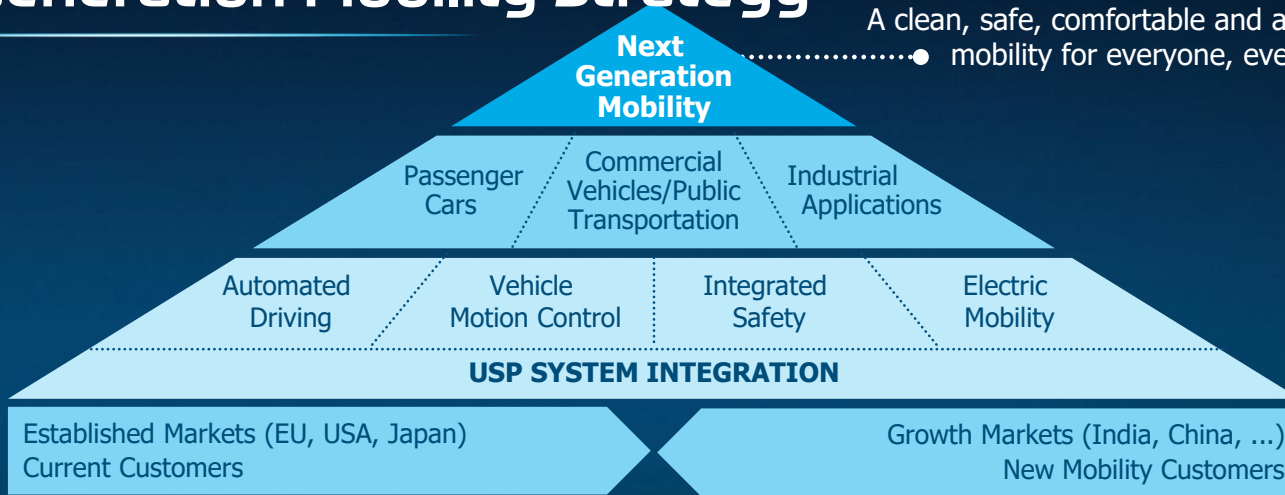


- Tightening **worldwide regulations** on sustainability
- EU **Green Deal** as accelerator
- **Supply Chain Legislation**

Next Generation Mobility Strategy

A clean, safe, comfortable and affordable mobility for everyone, everywhere.

Our Mission and Strategy



Our Goals



Our KPI's



Climate Neutrality:

- **Reduce CO₂ emissions by 80%** (compared to 2019) by using green energy until 2030 (Scope 1 and 2)
- **Reduce CO₂ emissions of upstream value chain & product use until 2040** (Scope 3)

ZF's climate strategy: Climate neutrality across all emission categories by 2040



ZF Sustainability



Acting now.

Sustainability @ ZF



Acting
for climate and nature



Acting
for all people



Acting
for lasting values

Climate action

Reduction of emissions
across the value chain

Use and production of
renewable power

Sustainable and circular products and operations

Use of recycled materials
for ZF products

Electrification
of ZF product portfolio

Employee development and diversity

Respect and commitment
for diversity and equal rights

Empower and develop
our employees

Keeping people safe

Responsibility for the
entire ZF community

Highest health & safety
standards

Human Rights and working conditions

Respect Human Rights

Fair working conditions,
equal rights and fair
remuneration along the
value chain

Responsible behavior across the business

Transparent and ethic
business behavior

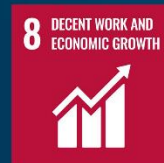
Responsible and
accountable partnerships

Long-term value creation and resilience

Long-lasting values based
on a sustainability mindset

Efficient structures and
continuous improvement
of processes

Foundation:



ZF's Climate Ambition addresses all emission "scopes"



Scope 1:
Direct own emissions



Direct emissions from ZF's own facilities and from company vehicles

Scope 2:
Energy emissions



Indirect emissions from ZF's purchased electricity, steam, heating & cooling for own use

Scope 3 Upstream:
Supply chain emissions



Indirect emissions from ZF's supply chain (e.g., purchased goods and services, transportation and distribution, business travel)

Scope 3 Downstream:
Use phase emissions

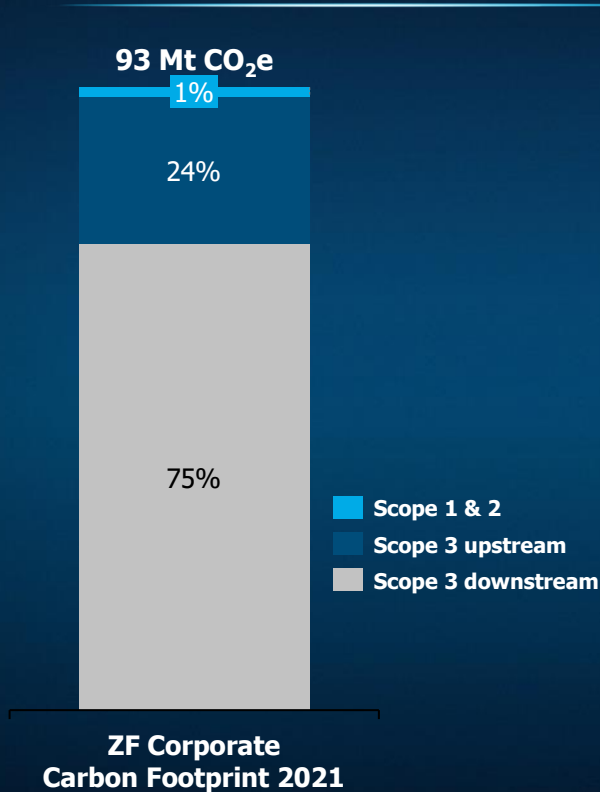


Indirect emissions from the use of ZF's products (incl. distribution, end-of-life, etc.)

ZF's commitment to science-based emission reduction & climate neutrality across all scopes by 2040



Decarbonization is required on all levels of the value chain



1

Direct CO₂ emissions (Scope 1)

- Reduce ZF overall energy consumption
- Increase energy efficiency in ZF operations

2

CO₂ emissions from energy consumption (Scope 2)

- Maximize green power purchasing
- Expand on-site generation of green power

3

Emissions in ZF supply chain (Scope 3 upstream)

- Reduce carbon footprint of purchased parts (e.g. steel, alu, electronics)
- Increase use of secondary material

Emissions during use phase (Scope 3 downstream)

- No new R&D projects for internal combustion engine drives;
- Increase CO₂ efficiency in product use phase

Acting for climate and nature: Ambitious 2030 targets

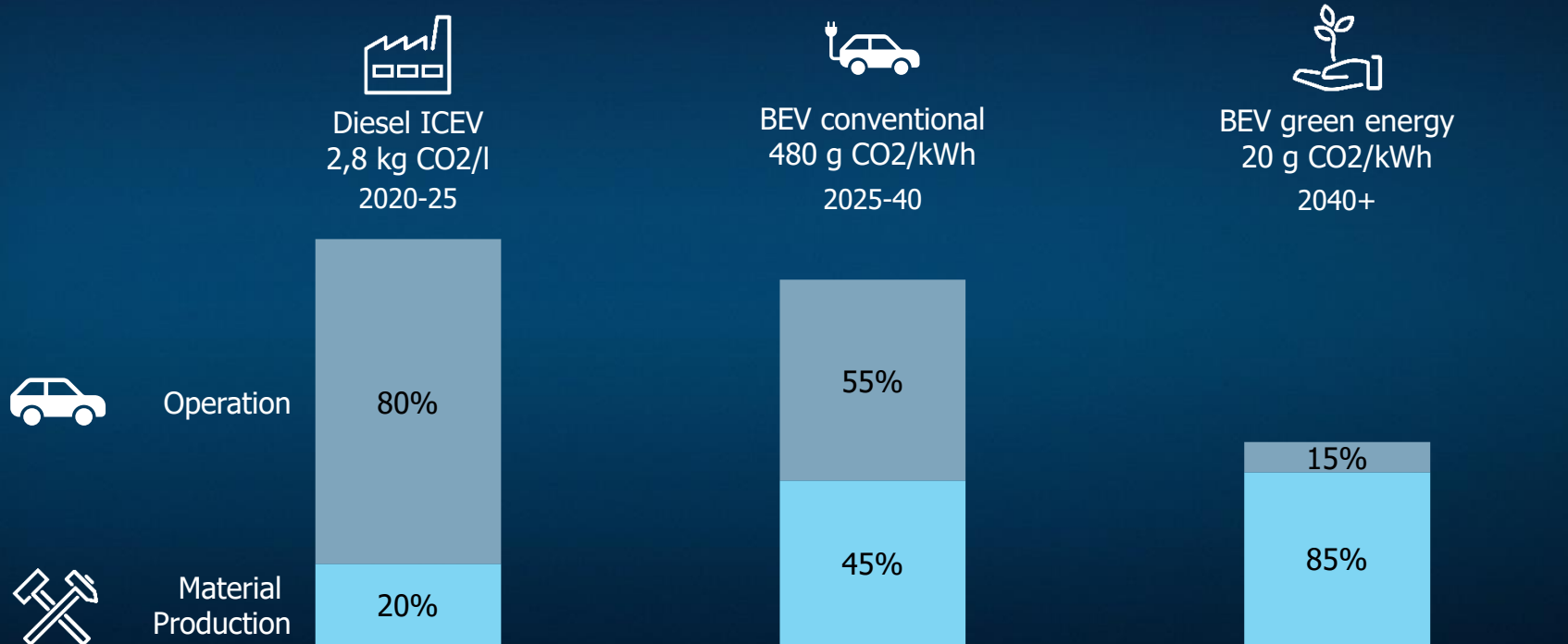


We will reduce **our own CO₂ emissions** – Scope 1 & 2 – at all ZF plants worldwide by 80% compared to 2019



We will reduce **CO₂ emissions from supply chain** – Scope 3 upstream – and **product use** – Scope 3 downstream – by 40% per sales compared to 2019


With increasing electrification, material emissions will be the main topic for automotive industry



Source: McKinsey, June 2021



Science Based Targets



SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

info@sciencebasedtargets.org
www.sciencebasedtargets.org

[#sciencebasedtargets](#) [@sciencebasedtargets](#)

Approved science-based target

The Science Based Targets initiative has validated that the corporate greenhouse gas emissions reduction target(s) submitted by





ZF Friedrichshafen AG

have been deemed to be in conformance with the SBTi Criteria and Recommendations (version 4.2). The SBTi's Target Validation Team has classified your company's scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory.

The official target wording is:

ZF Friedrichshafen AG commits to reduce absolute scope 1 and 2 GHG emissions 80% by 2030 from a 2019 base year. ZF Friedrichshafen AG commits to increase annual sourcing of renewable electricity from 10% in 2019 to 100% by 2030. ZF Friedrichshafen AG commits to reduce scope 3 GHG emissions 40% per million euros in sales by 2030 from a 2019 base year.

Date of issue: Jan, 2022
Certificate Number: ZFFR-GER-001-OFF

An initiative by    



Long- term supply agreement with H2 Green Steel (250.000t of steel pa. from 2025 onwards)

[Press Release Green Steel](#)



Long- term power supply agreement (210GWh from Wind power from 2022-2025)

[Press Release Green Electricity](#)



Partner of Polestar 0 Project (fully climate neutral vehicle by 2030)

[Press Release Polestar 0 Project](#)



Global Remanufacturing Initiatives (1.800 employees dedicated to reman globally)

[Press Release Global Remanufacturing Initiatives](#)

Acting for all people: Our commitment to social responsibility



Employee development and diversity

- Anchored values: diversity, equal opportunities, inclusion and equal rights are part of the ZF Way
- Plus: empowering and developing our people at ZF

Keeping people safe

- At ZF highest standards for health and safety are in place
- We assume responsibility for all people ZF is dealing with

Human Rights and working conditions

- Respect for human rights: of paramount importance to us
- We are committed to good working conditions and fair payment at ZF and across the value chain

Responsible corporate citizen

- We want to give back something to society and care about the most vulnerable (CSR activities, e.g., ZF hilft.)



Acting for lasting values: The foundation of our future



Responsible behavior across the business

- By acting responsibly and in line with rules and regulations we establish lasting values
- Our code of conduct is the compass in our everyday work for acting legally, ecologically and ethically correct
- This is how we are reliable, ethical business partners
- We are constantly working to increase transparency

Long-term value creation and resilience

- The lasting values that we create, are essential for future generations and for our aim of shaping tomorrow's mobility
- We strive for permanent improvement and create efficient and resilient structures



Thank You for Your Interest

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