



Security Challenges ZF Group

Sascha Teifke | Corporate Security (GS) | Governance



Key Figures

Locations

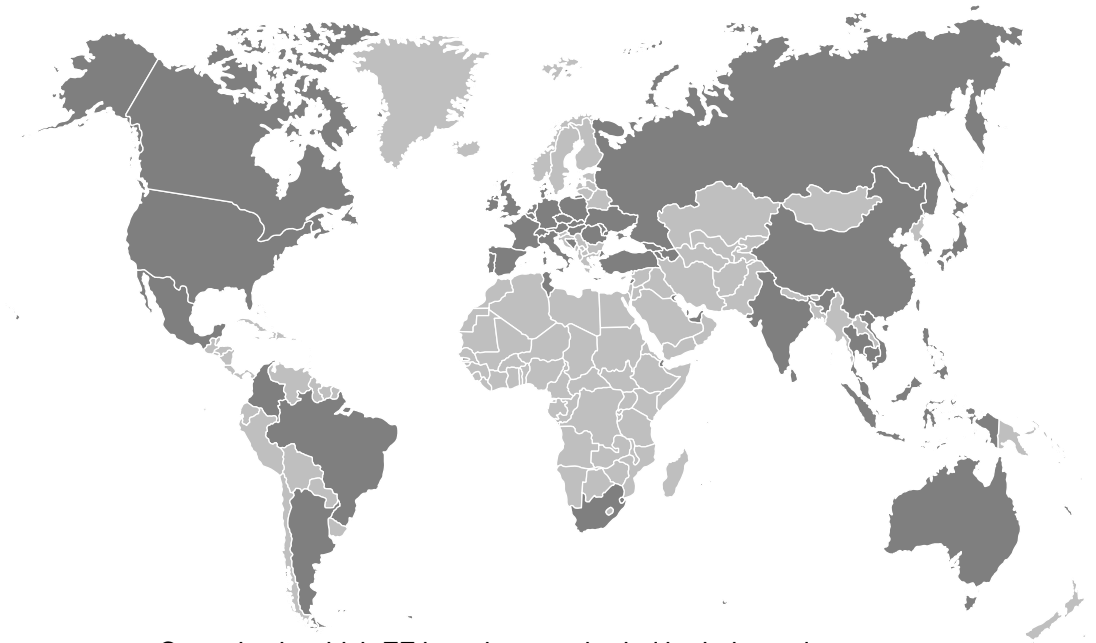
Worldwide Presence – Production, Development, Sales and Service

230 Locations in 40 countries

20 Main development locations in 8 countries

120 Service locations

Over 650 service partners worldwide



Countries in which ZF is active are shaded in darker color

Key Figures Overview ZF Group

ZF Group 2016

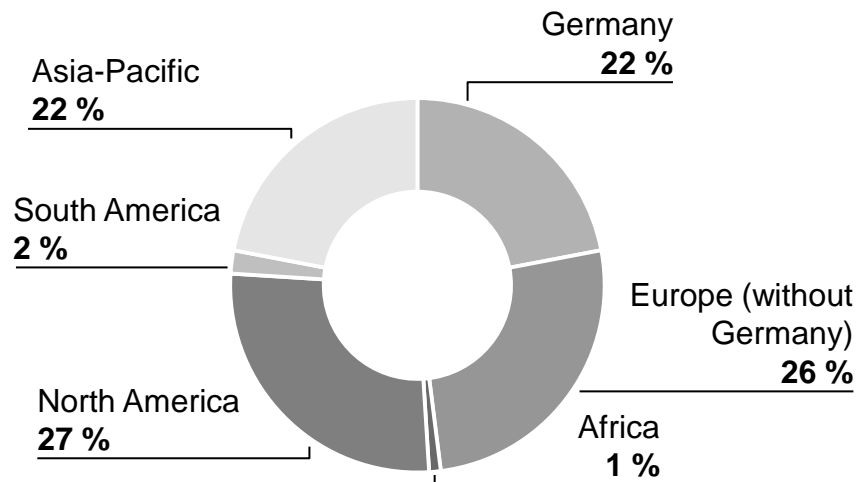
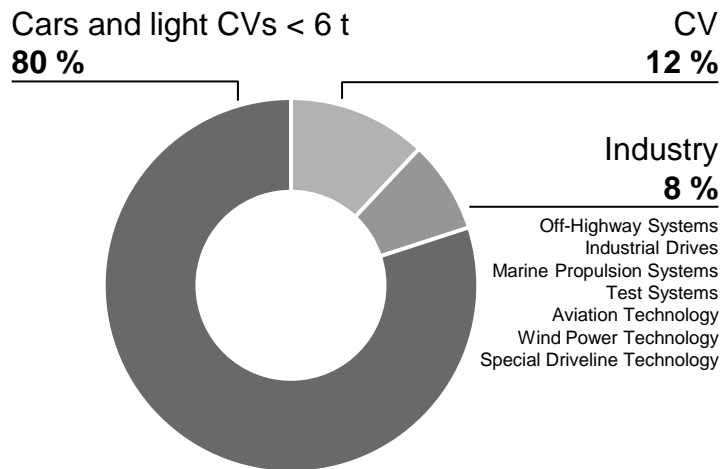
Sales	€ 35,166 million
.....	
Employees (end of the year)	136,820
.....	
Investments in property, plant and equipment	€ 1,185 million
.....	
Research and development (R&D)	€ 1,948 million



Key Figures

Sales by Branches and Regions

Sales distribution in 2016



ZF Group: € 35,166 million

Key Figures Research and Development

A Brief Profile on 2016

Patent applications:

1,200

ZF is one of the top ten patent applicants in Germany

Internal invention disclosures:

Approx. 1,720

Main development locations:

20 in 8 countries

Expenses:

€ 2 billion

Employees:

worldwide 14,550 of which approximately 1,600 work in Corporate Research & Development at the locations in Friedrichshafen, Pilsen (Czech Republic), Shanghai (China), Tokyo (Japan) and Northville (USA)



Challenges for ZF in the context of security

ZF's business environment: Global determining trends

Economical Trends

Individualization

Resource efficiency

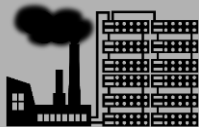
Time to market

Globalization & Internationalization

Increasing IT in products

Proliferation of options

Technological Trends



Industry 4.0



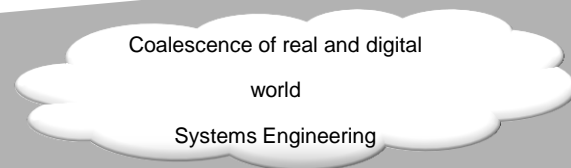
Product connection

Autonomy & Intelligence
Data Analytics (Big Data)

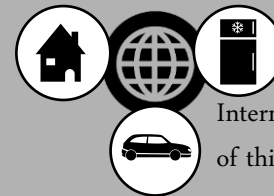


Cloud Services

Virtualization
Openness
Collaborative Platforms



Coalescence of real and digital world
Systems Engineering



Internet of things

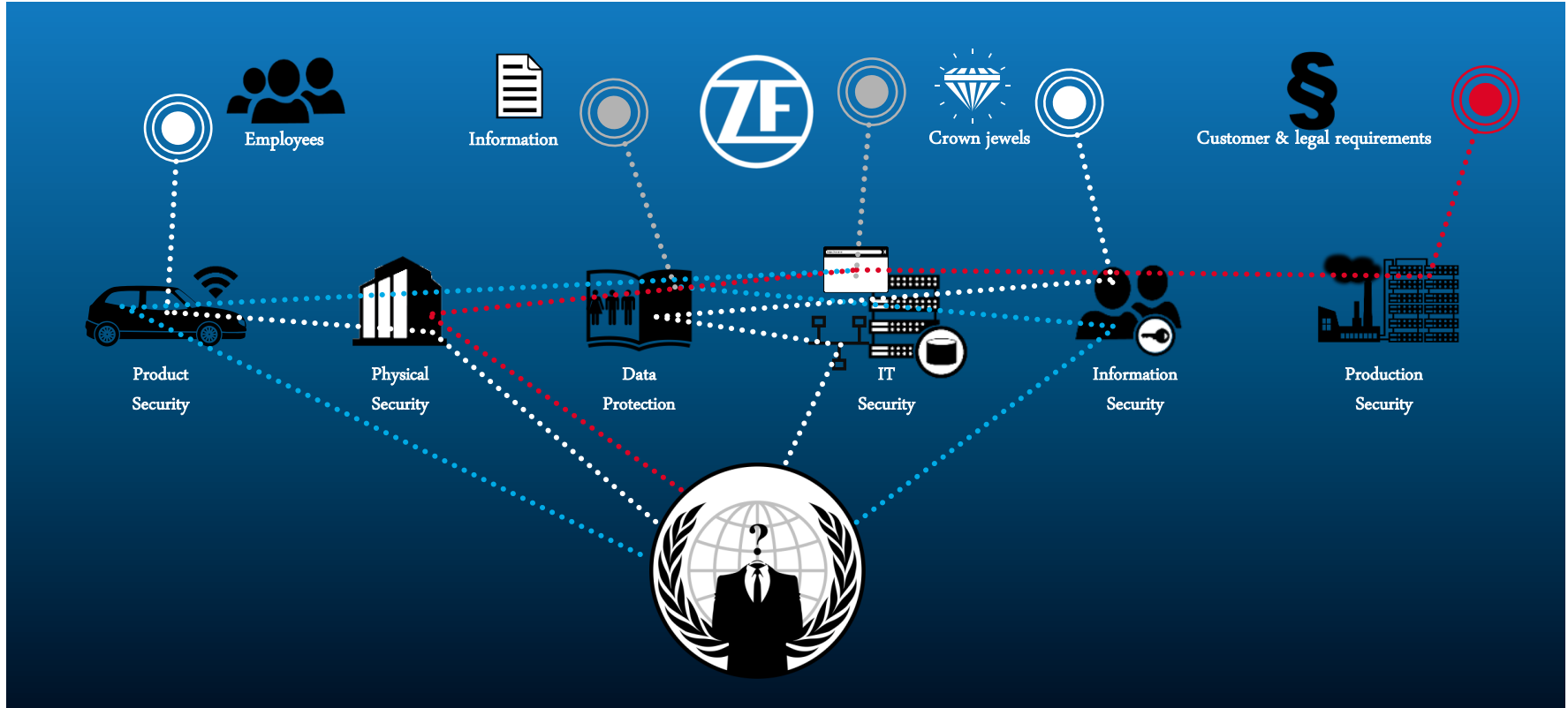
Value Creating Networks
Flexibility

Semantic Communication
Machine to Machine



Legal requirements
(Kritis, IT-Sec-Law etc.)

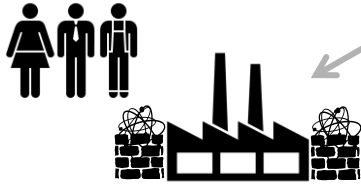
Multidisciplinary Challenges require multidisciplinary approach



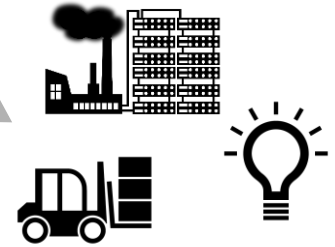
Crisis Management / Business Security

Our mission

As a worldwide operating organization ZF has the responsibility to ensure



Security of all their employees
and locations



- Production capability
- The ability to supply
- Innovation capacity

Main task

protect employees, real estate and other corporate property against **physical threats** by

- ➔ implementing adequate measures to reduce security relevant risks
- ➔ increasing the safety of people and materials
- ➔ enabling a fast and effective reaction in cases of damage occurrences

Crisis Management / Business Security

Departments and Tasks



Crisis and Incident/ Emergency Mgt.

- Operation of the ZF Group Security Situation Center
- Operation of the 24/7/365 Emergency and Incident Reporting Hotline: ZF Helpline
- Responsibility for the readiness of the ZF Group Crisis Management (Organization, Procedures (SOPs), Handbooks, etc.)



Travel- & Expat Risk Mgt.

- Define and implement Travel- and Expat risk management processes and policies
- Individual Risk assessment and organization of security measures for business trips (e.g. training, transportation)
- Individual Support for international transfers (e.g. training, consulting regarding means of accommodation)



Physical and Personnel Security

- Define Physical and Personnel Security standards, processes as well as Best Practice Implementation Guideline
- Realization of measure to protect board members and other personnel exposed to threats
- Security Audits/Site Assessments, especially for high risk assets



Supply Chain Security Mgt.

- Liaison person between Business Security and Supply Chain Management Departments
- Define and implement security related processes and measures to meet the requirements of supply chain related programs like Known Consignor, AEO-F, and C-TPAT.
- Audits & Assessments to assure sustainable implementation
- Assessment of security risks related to Supply Chain Security Management

Corporate Security Risk Categories

Political risks

War, terrorism, coup, civil unrest, demonstrations, political arrests



Natural disasters

Flooding, storm, earthquake, heat wave or cold spell, forest fires, volcanic eruptions



Accidents & medical risks

Airplane crashes, traffic & industrial accidents with severely injured persons or fatalities, epidemics, pandemics, large fires, accidents involving hazardous substances

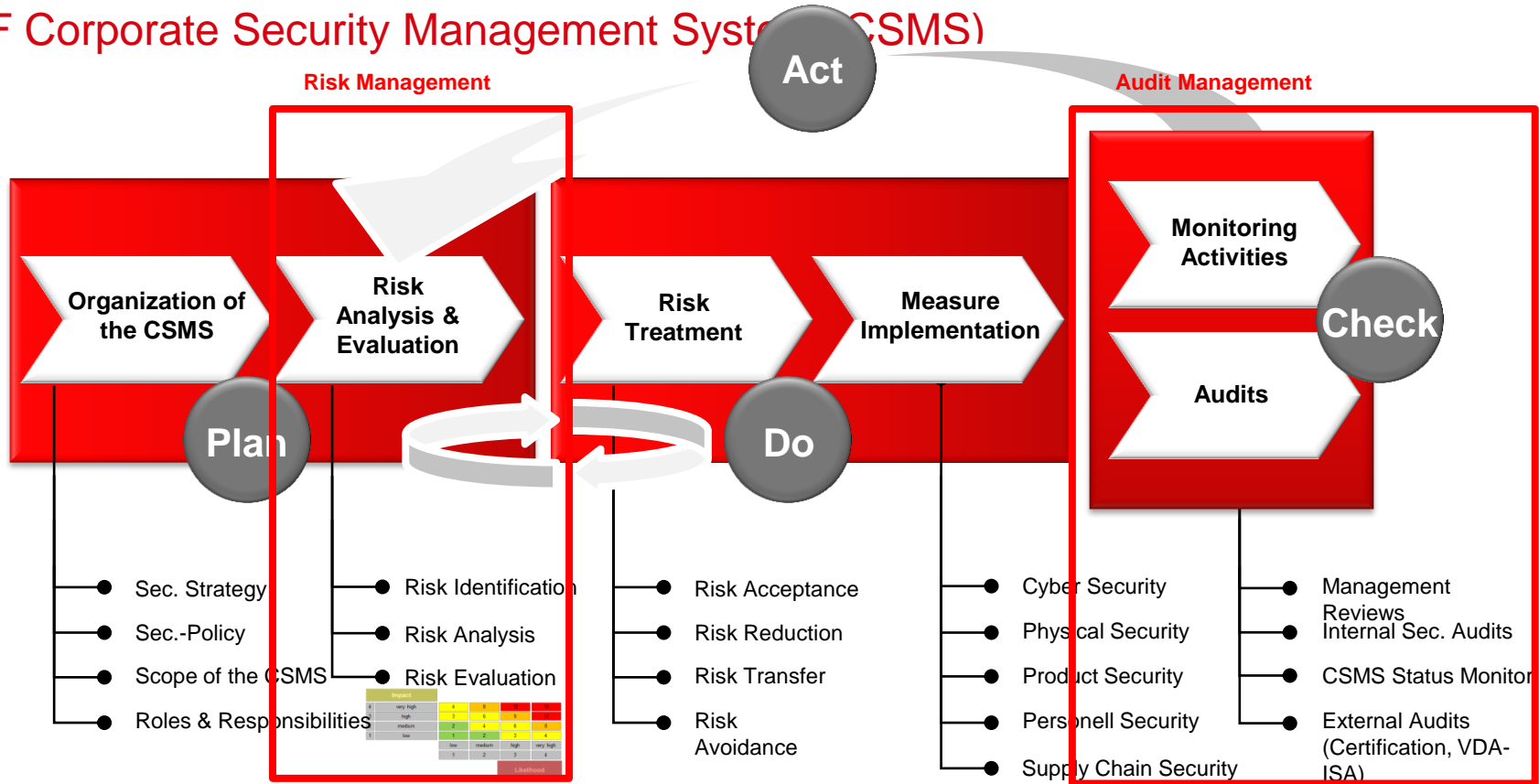


Crime

Cyber Crime, Threat, fraud, theft, corruption, kidnapping, blackmail, hostage-taking, armed robbery, homicide



ZF Corporate Security Management System (CSMS)



Corporate Security risk reporting to Corporate Risk Mgt.

Corporate Security Risk Matrix	Likelihood	Impact
1 low	rare ≤ 1 occurrence in 10 years (≤ 10 %)*	minor < 100.000 EUR
2 medium	possible > 1 occurrence in 10 years (> 10 %)*	moderate < 500.000 EUR
3 high	most likely ≥ 1 occurrence in 4 years (≥ 25 %)*	severe ≥ 500.000 EUR
4 very high	will happen ≥ 1 occurrence per year (≥ 90 %)*	fundamental ≥ 1.000.000 EUR

* corresponding values acc. to Corporate Risk Management method

		Impact			
		low	medium	high	very high
4	very high	4	8	12	16
3	high	3	6	9	12
2	medium	2	4	6	8
1	low	1	2	3	4
		low	medium	high	very high
		1	2	3	4

to be reported

low, medium, high, very high

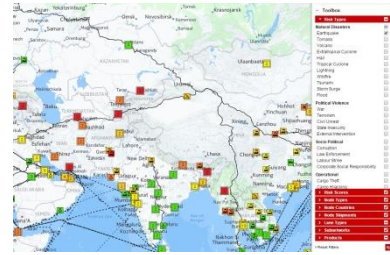
Likelihood

Alignment with

- Corporate- (and IT) Risk Management evaluation-legends
- Coverage of Corp. Risk Mgt. Reporting Thresholds
 - Gross risk ≥ X EUR AND Likelihood ≥ 25%
 - TOP-Risk: Gross risk ≥ Y EUR AND Likelihood ≥ 25%

Natural disasters, adverse weather, political unrest, cargo theft – many disruptions with potential to harm

DHL Resilience360 is a cloud-based platform that helps companies manage these risks by mapping their end-to-end supply chain, building risk profiles and identifying critical hotspots, to ultimately initiate mitigation activities. In near-real time, the solution provides alerts on incidents that could harm employees disrupt the supply chain. With this new risk management tool, Deutsche Post DHL supports both small and large companies in maintaining and protecting their employees and business operations.



Risk Assessment

Rates your supply chain risks and resiliency, identifies risk hot spots and recommends suitable mitigations



Incident Monitoring

Monitors your supply chain 24/7 for incidents, determines your impact, filters relevant information and triggers follow-up



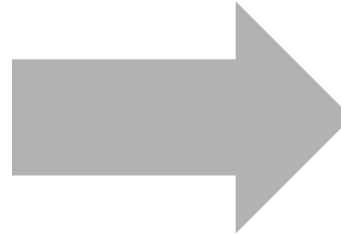
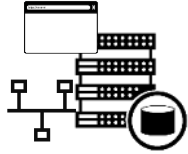
Risk Response

24/7 Risk Control Towers monitors your supply chain business continuity, highlights existing gaps and implements efficient mitigation actions

DHL Resilience360 usage in ZF corporate security

ZF Objectives

- Ensure the safe, secure and reliable operation of a network spanning more than 240 operating locations in 40 countries
- Obtain accurate, timely information on risks and disruptive events from reliable sources
- Allow the in-house security team to focus their monitoring, risk mitigation and management activities on the most relevant incidents and locations



R360 Solution

- Resilience360 Risk Management tools support ZF's internal risk and threat assessment activities and aid strategic supply management efforts
- Near real-time incident monitoring provides accurate, timely information on disruptive events and the sites, products and personnel affected



Brussels attacks – March 2016

1. Attack at BRU
8:00am - 8:30am

2. Attack on Maelbeek Station
About 9:30 am

3. Ongoing security operations
throughout the day

ZF incident management:

- Reached out to all personnel in the region to ensure safety - quickly identified two employees near incident locations
- Using R360 mapping capabilities, ZF team pinpointed the position of personnel & evaluated optimal mitigation strategy
- Real-time traffic monitoring combined with incident alerts provided detailed information needed to manage a complex situation in Belgium from Germany

11:38am: Armed police activity reported in vicinity of Brussels North station

12:33pm: Authorities carry out controlled explosion along Rue de La Loi, Brussels

3:21pm: Operations continue at Berlaymont after reports of evacuation.

8:21am: There are reports of a possible explosion and smoke at Brussels Airport.

8:28am: Passengers evacuated after smoke seen coming from terminal building

8:30am: The airport has been evacuated after two explosions; cause unknown.

8:42am: Flights being diverted, airport in lockdown

10:05am: At least 13 killed and 35 others injured in two explosions.

9:31am: There are reports of an explosion at the Maelbeek Metro Station

10:10am: At least one injured in bombing at the metro station.

10:28am: Up to 10 killed in bombing at the Maelbeek Metro Station

12:17pm: Official reports 15 people killed, 55 injured from explosion.

Thank you

.....Sep 2017 | Corporate Security | Security Challenges - DHL Risk Conference.....



Internal

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