



Managing Global ICP's in the digital age

Katja Stockburger | Global Trade Controls London 2017



Managing Global ICP's in the digital age

New digital products/
Business models

IT based solutions

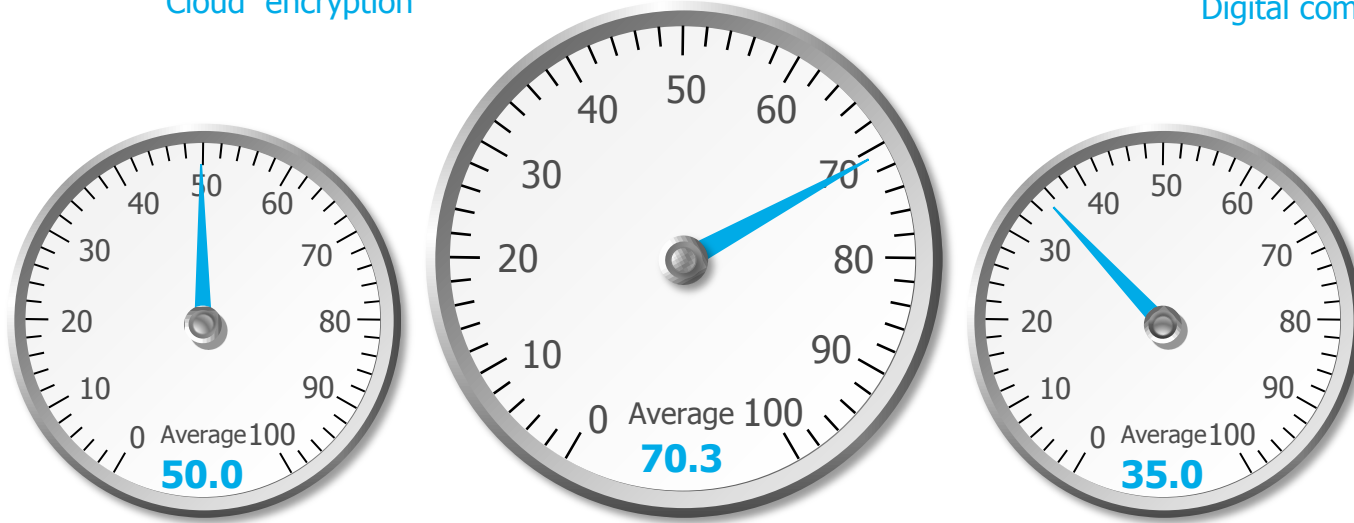
"Industry 4.0"- automation, data exchange,
cyber physical systems, "internet of things"

innovation

Cloud encryption

Digital mindset

Digital communication



Global ICP Management

Agenda

01 ZF at a glance

02 ZF Internal Control Program

**03 Best Practices:
Managing ICP's in the digital age**

01

ZF at glance





Company Development, ZF Group

1915 Foundation of Zahnradfabrik GmbH in Friedrichshafen by Luftschiffbau Zeppelin GmbH

1919 Market introduction of passenger car and commercial vehicle transmissions

1984 Majority shareholding gained in Lemförder Metallwaren AG, Chassis Technology

2001 Acquisition of **Mannesmann Sachs AG**, Powertrain and Suspension Components

- 2011**
- Merger of the major German ZF companies, all united under the designation of ZF Friedrichshafen AG
 - Acquisition of Hansen Transmissions Int. NV, Wind Turbine Gearboxes

- 2015**
- 100 years of ZF Friedrichshafen AG
 - Acquisition of **TRW Automotive Holdings Corp.**
 - Acquisition of large gearbox segment from Bosch Rexroth AG

- 2016**
- 40% share in the Hamburg-based company Ibeo Automotive Systems GmbH (joint development of new lidar technology)
 - 40% share in doubleSlash Net Business GmbH, a software specialist for interconnecting vehicles
 - Founding of Zukunft Ventures GmbH, the venture capital company of the ZF Group
 - Official opening of the new company headquarters building in Friedrichshafen



Corporate Structure ZF Friedrichshafen AG

Shareholders: 93.8% Zeppelin Foundation and 6.2% Dr. Jürgen and Irmgard Ulderup Foundation

Board of Management, ZF Friedrichshafen AG

Dr. Stefan Sommer – Chief Executive Officer, R&D, ZF Aftermarket

Dr. Konstantin Sauer – Finance, IT, M&A | **Jürgen Holeksa** – Human Resources and Industrial Relations, Governance, Service Companies |

Michael Hankel – Production, Car Powertrain Technology, Car Chassis Technology, E-Mobility | **Wilhelm Rehm** – Materials Management, Commercial Vehicle Technology, Industrial Technology | **Dr. Franz Kleiner** – Quality, Active & Passive Safety Technology, Region North America | **Peter Lake** – Market, Region Asia-Pacific, Region South America

Division Car Powertrain Technology Bernd Stockmann	Division Car Chassis Technology Dr. Holger Klein	Division Commercial Vehicle Technology Fredrik Staedtler	Division Industrial Technology Dr. Klaus Geißdörfer	Division E-Mobility Jörg Grotendorst	Division ZF Aftermarket Helmut Ernst	Division Active & Passive Safety Technology Dr. Franz Kleiner
Automatic Transmissions Manual Transmissions / Dual Clutch Transmissions Axle Drives Powertrain Modules	Chassis Systems Chassis Components Suspension Technology	Truck & Van Driveline Technology Axle & Transmission Systems for Buses & Coaches CV Chassis Technology CV Powertrain Module CV Steering Systems	Off-Highway Systems Industrial Drives Marine & Special Driveline Technology Test Systems Aviation Technology Wind Power Technology	Electronic Systems Electric Traction Drive System House	Independent Aftermarket Original Equipment Service/ Specific Original Equipment Manufacturing Services Friction Materials Group	Braking Systems Steering Systems Occupant Safety Systems Electronics Body Control Systems
Central Functions / Regionen						



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



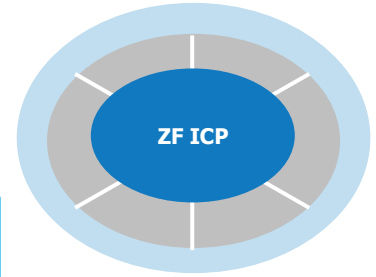
02

ZF Internal Control Program



Definition ICP

Internal Control Programs...



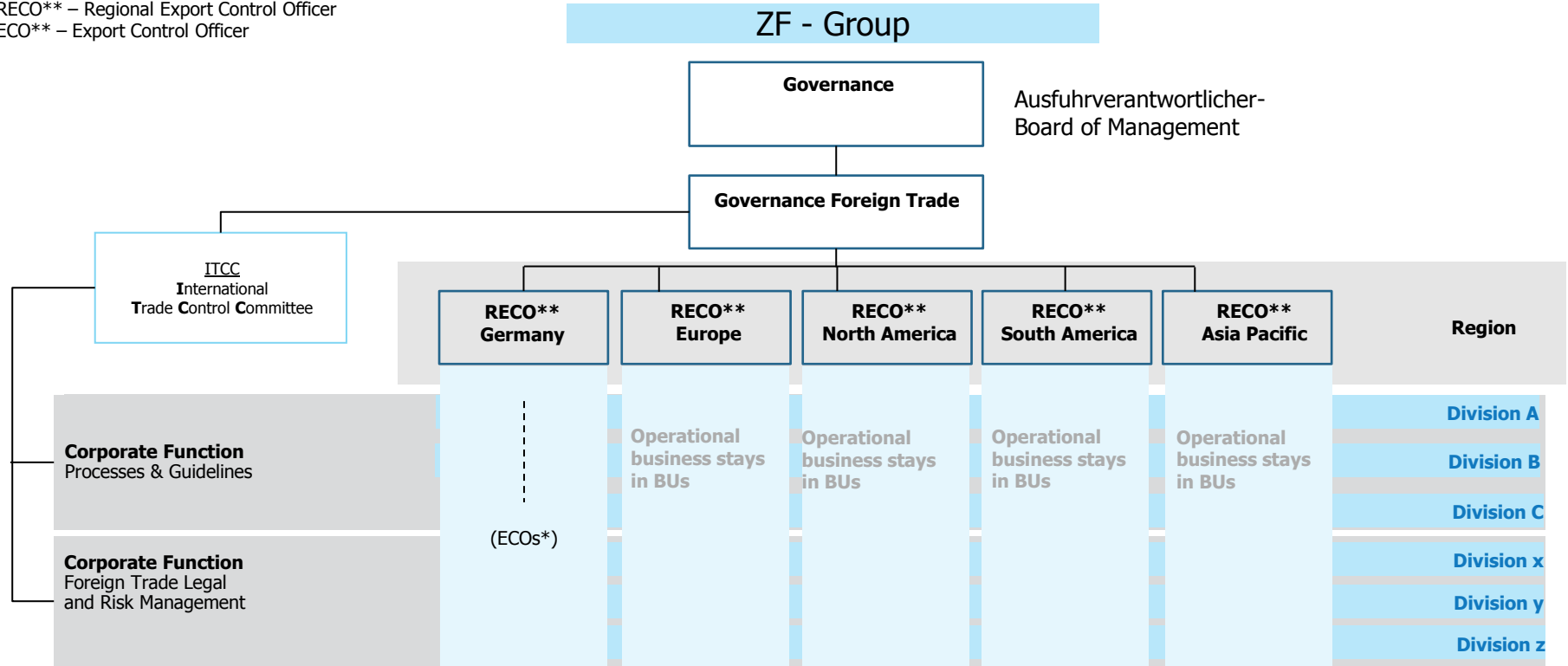
.... are in-house global policies and procedures that companies adopt to facilitate compliance with national and international export control requirements

ZF ICP – how to comply with Foreign Trade

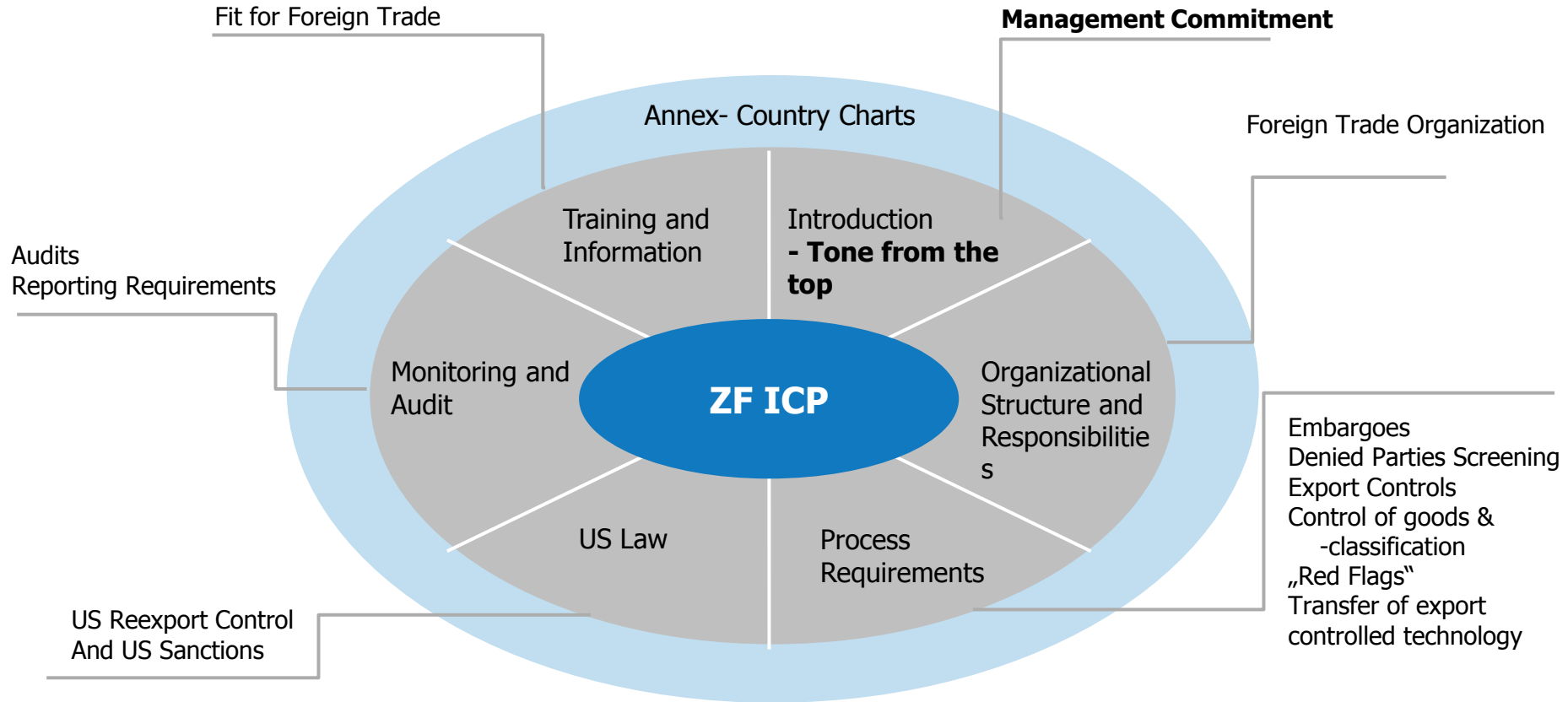


Governance Organization

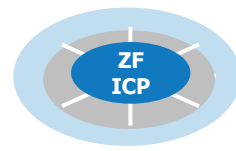
RECO** – Regional Export Control Officer
ECO** – Export Control Officer



ZF ICP— how to comply with Foreign Trade



ZF ICP – how to comply with Foreign Trade



.... Protect the company's reputation

.... Reduce risk of violations and penalties

.... Increase organizational efficiency

ZF-ICP Internal Control Program „ZF Group Policy“

Annex

Processes

- Denied party screening
- Classification
- Export License application process/regulatory
- Case Management
- Embargo process

Country Charts

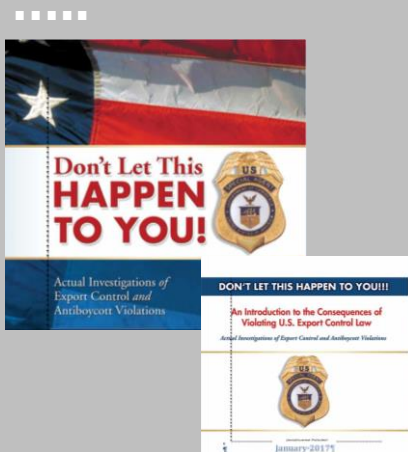


„ZF Group Policy“ -
highest level of Policy
Management System

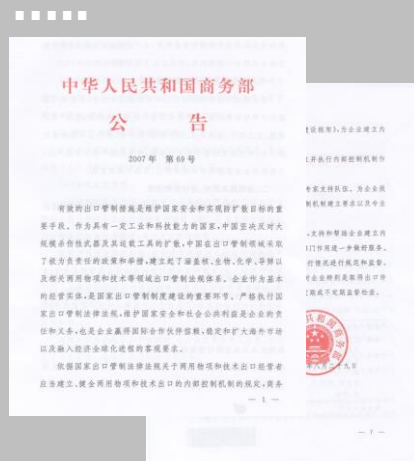
ZF-ICP Internal Control Program

ZF Group Policy

Country Chart USA



Country Chart China



Country Chart Germany

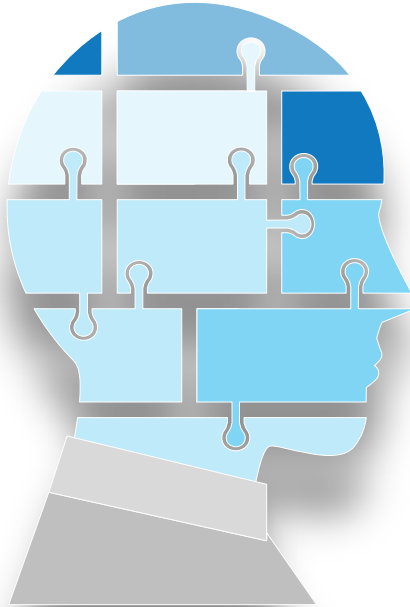


Country Chart xxx

03

Best Practices: Managing ICP's in the digital age

ICP in the digital age: Challenges



Digital Case Management

01

- From "paper to digital"
- Digital Licence Management
- Digital Embargo Management
- Case by Case solution
- Global challenge

Classification

02

- IT based solution vs "hand made solution"
- Digital experts needed

Denied Party Screening

03

- IT based solution
- Case by case investigation

Digital Training

04

- New training concepts
- Webinars vs face to face
- Blogs
- New communication channels

ICP in the digital age: Digital Case Management



„Old world“



Willkommen in der RELIANCE-Database
Bitte wählen Sie zunächst Ihren Bereich:

NUR LEBEN



Nur Lesen

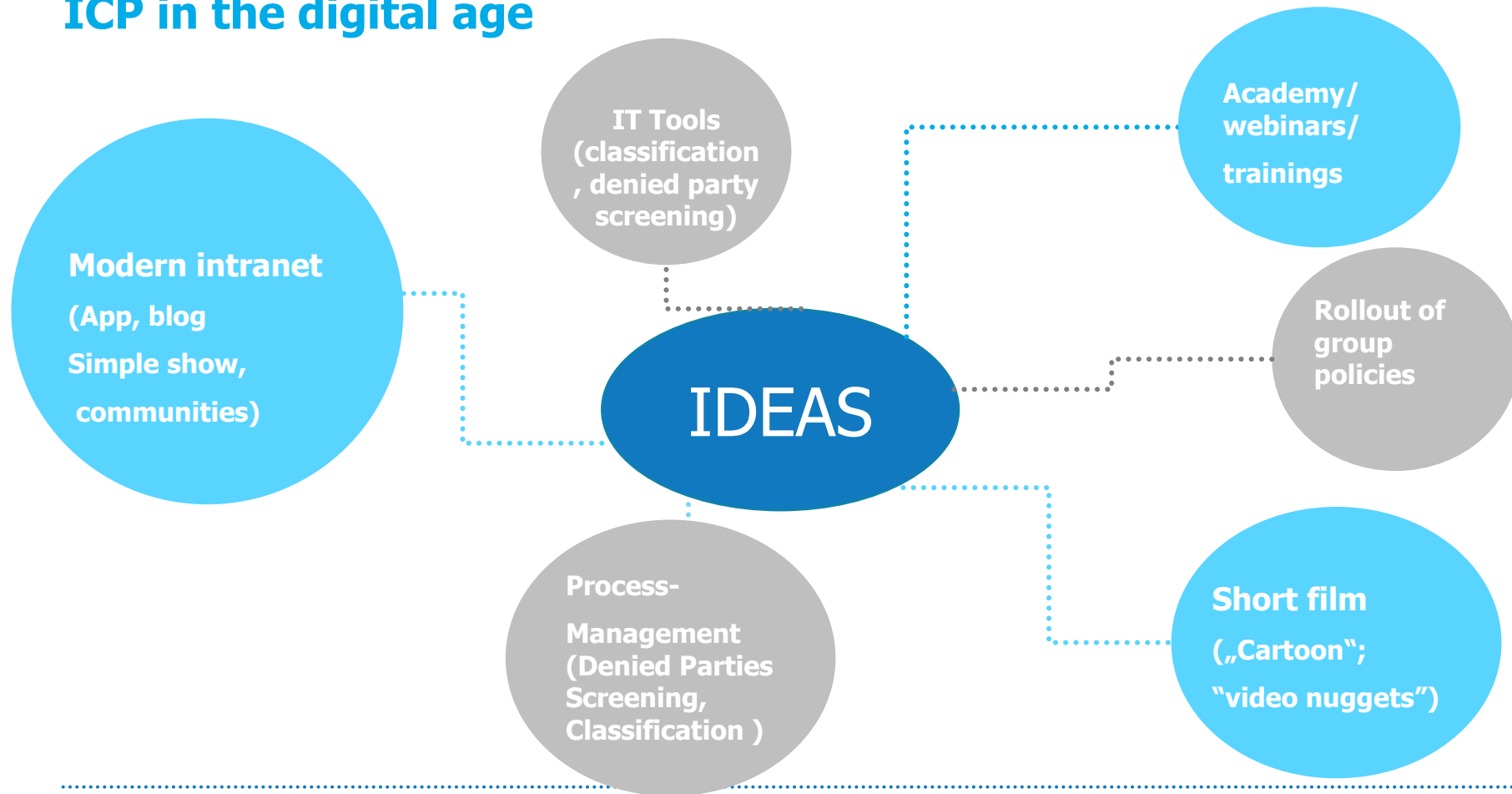
LESEN UND DATENEINGABE



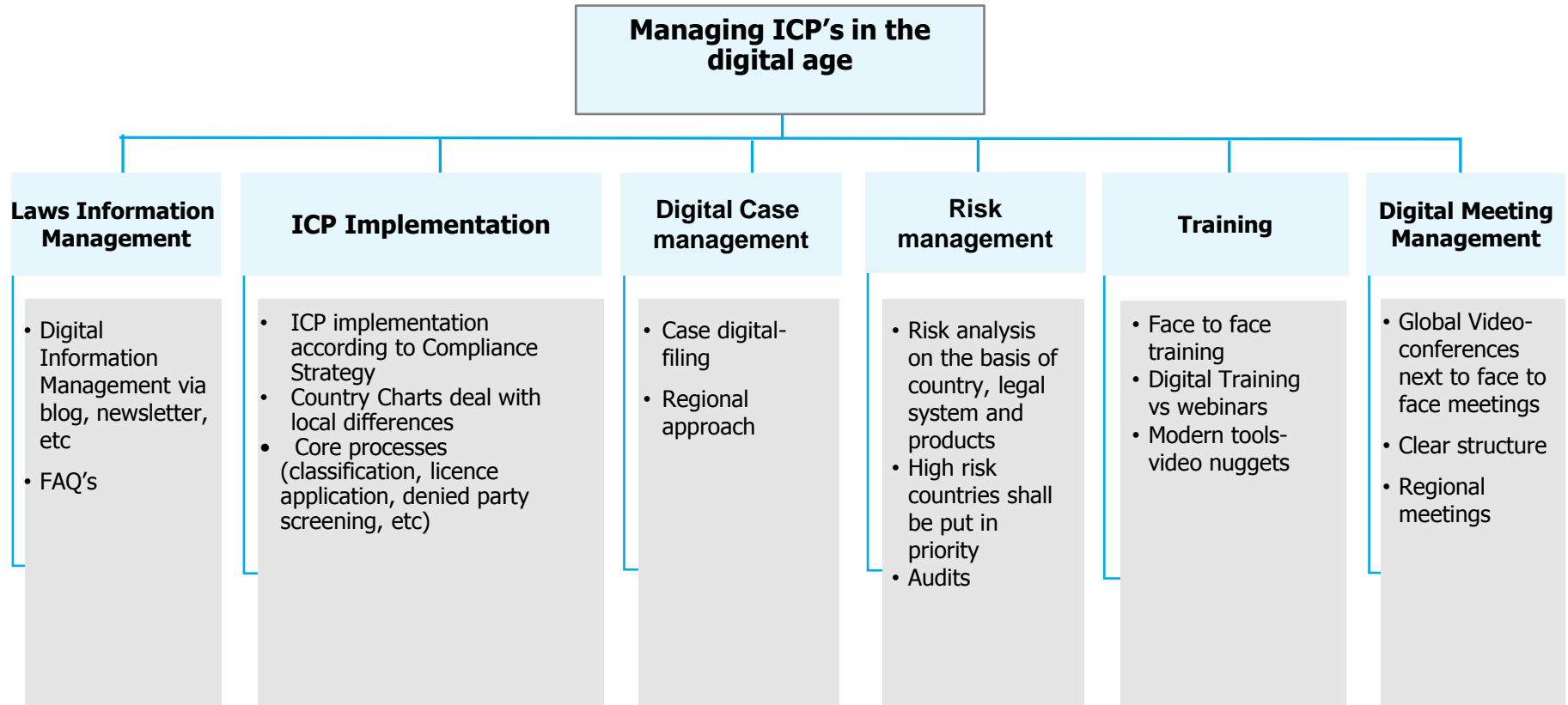
Lesen und Dateneingabe

„New world“ – digitalization

ICP in the digital age



ICP Management: No Boilerplate solution- has to fit to company



Best practices for an internal control program (ICP)

Company commitment – Tone from the top

Nomination of Export Control Officers (regional approach)

Product screening and classification

Denied Parties Screening

Record keeping

Awareness and training

Audits

Any questions?
Thank you!



see. think. act.

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