



ZF's Friedrichshafen Location is Shaping the Transformation of the Automotive Industry

- **Research and development are playing an increasingly important role at the location**
- **Two years after concluding an agreement to secure the Friedrichshafen location, Group and employee representatives are pleased with the results so far**
- **The agreement has earmarked investments of €600 million for the location up to the end of 2022**

Friedrichshafen. The ZF Friedrichshafen location is shaping mobility in the 21st century and is ready for new challenges. The headquarters and birthplace of the company is turning into a knowledge and high-tech location. One factor of this transformation is the key issue paper on securing the location, which ZF and employee representatives agreed on just over two years ago. Recently, location managers Detlef Gagg and Dirk Hanenberg as well as the chairmen of the two Works Council committees, Achim Dietrich and Franz-Josef Müller, expressed their satisfaction with how well things have been going so far.

The key issue paper was a milestone in establishing the Friedrichshafen location as a permanent fixture for the future in order to make it more competitive and to maintain flexibility," explains Dirk Hanenberg, the location manager responsible for production. "We are on the right path, yet the automotive world continues to evolve quickly. This means we have to keep a careful eye on efficiency and international competitiveness so that Friedrichshafen remains a strong ZF location offering good jobs well into the future."

In September 2016, ZF concluded a comprehensive agreement with employee representatives on securing Friedrichshafen as a location. Among others, it stipulates that €600 million be invested in the company headquarters as well as further developing its production and research and development facilities by the end of 2022. This agreement



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should keep the number of employees at the location as stable as possible. It also provides for job security assurances for the period it covers, a central provision of the agreement. It stipulates that the total number of employees at the location shall not go below the lower threshold limit of 8,500, even after the announced partial withdrawal of a major customer for commercial vehicle transmissions, but ideally shall remain around 9,000. "More than 9,400 employees currently work in Friedrichshafen. In this case, we are right on target, which is also due to the strong order situation in recent months," adds Detlef Gagg, location manager for the headquarters. "Over the next few years, we predict sustained job creation more in the area of research and development, particularly in the fields of automated driving and electromobility." Achim Dietrich, chairman of the Works Council Committee for Production, adds: "It was important to us that Friedrichshafen remain a strong production location in the ZF Group. And this agreement is a good start. It allows us to establish new products here and to offset the jobs lost by the partial withdrawal of an important customer for truck transmissions with new jobs in Friedrichshafen.

The professional skills required will change as the automotive world moves toward electromobility and with the increasing use of Industry 4.0 applications. "That is why ZF is intent on improving the skills of its employees to prepare them for these new technologies. At the same time, we want to open up new career opportunities for them," explains Franz-Josef Müller, chairman of the Works Council Committee for the headquarters. This will be achieved by changing the focus of training and continuing education programs and by offering internal training courses with new content. Every year five ZF employees are given the opportunity – building on their dual vocational education and professional experience – to complete a degree in engineering at the Baden-Württemberg Cooperative State University. "As a company in the metal and electrical industry, ZF pays its employees an attractive salary," emphasizes Detlef Gagg. "From our perspective, if we need more employees here in Friedrichshafen to work in research and development, we have to offer graduates and experienced professionals



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exciting jobs and opportunities, thus further boosting purchasing power in the region.”

Roughly one-third of the agreed €600 million investments promised for the location has already been spent. Investment projects include the construction of the model factory for automated logistics processes, the TraXon hybrid assembly facility, Industry 4.0 applications and the supplier network. The construction of the production hall for the Powerline transmission for use in light commercial vehicles and the industrialization of the electric commercial vehicle central drive CeTrax will be focal points of investment in the next few years – accompanied by ongoing strong cost pressure and boosting competitiveness.

Research and development at the Friedrichshafen location

The transformation of the Friedrichshafen location from mainly a production location to a high-tech and knowledge location began decades ago. One important step was taken 30 years ago when ZF purchased a 70,000-square-meter property on the north end of Friedrichshafen to construct the Research and Development Center (FEZ) there. The first construction phase started in 1990. Since then, the FEZ has been continually added on to and modernized. The newest addition is the test center for transmission systems in which ZF invested roughly €70 million and which will go into operation in just a few weeks.

Captions:

- 1) ZF invested roughly €70 million in the new test center for transmission systems which is set to open its doors for operation at the beginning of 2019.
- 2) Core business in Friedrichshafen: assembly of commercial vehicle transmissions. ZF has invested in the production of new products such as the hybrid variant of the TraXon transmission system at the location.

Images: ZF



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Press contact:

Andreas Veil, Leiter Wirtschafts- und Finanzkommunikation,
Telefon: +49 7541 77-7925, E-Mail: andreas.veil@zf.com

Gunnar Flotow, Referent für Kommunikation und Öffentlichkeitsarbeit
des Gesamtbetriebsrats, Telefon: +49 7541 77-960583, E-Mail:
gunnar.flotow@zf.com

ZF Friedrichshafen AG

ZF ist ein weltweit führender Technologiekonzern in der Antriebs- und Fahrwerktechnik sowie der aktiven und passiven Sicherheitstechnik. Er ist mit 146.000 Mitarbeitern an rund 230 Standorten in nahezu 40 Ländern vertreten. Im Jahr 2017 hat ZF einen Umsatz von 36,4 Milliarden Euro erzielt. ZF zählt zu den weltweit größten Automobilzulieferern.

ZF lässt Fahrzeuge sehen, denken und handeln. Das Unternehmen wendet jährlich mehr als sechs Prozent des Umsatzes für Forschung und Entwicklung auf, vor allem für effiziente und elektrische Antriebe und eine Welt ohne Unfälle. Mit seinem umfangreichen Portfolio verbessert ZF Mobilität und Dienstleistungen nicht nur für Pkw, sondern auch für Nutzfahrzeuge und Industrietechnik-Anwendungen.

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