SICK Sustainability Strategy

11th international Forum on Energy for sustainable Development

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20th September 2021

The beginnings

Where we come from

ERWIN SICK
Company founded in 1946

SICK at a glance

Key figures (fiscal year 2020)

10,433
EMPLOYEES

1,700
SALES
(IN EUR MILLION)

1,367
EMPLOYEES IN R&D

141
EBIT
(IN EUR MILLION)

3,483
PATENTS

1,726
ORDERS RECEIVED
(IN EUR MILLION)

201
R&D EXPENDITURE
(IN EUR MILLION)

40,000
PRODUCT SOLUTIONS

Wide product and technology portfolio

Innovative portfolio from our Global Business Centers

PRESENCE DETECTION

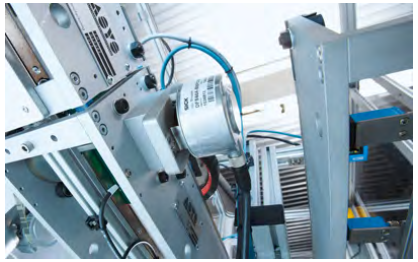
INDUSTRIAL SAFETY

ANALYZERS

FLOW MEASUREMENT

INDUSTRIAL INTEGRATION SPACE

SYSTEMS



MOTION CONTROL SENSORS

IDENTIFICATION & MEASURING

NEW BUSINESS

Why ? - The Big Picture: Trigger for Sustainability

Society
- Fridays for Future
- Environmental NGOs
- SICK-Shareholder

Climate Change & Loss of Biodiversity
- Threat of Livelihood
- Security of Supply
- Price increase

Market
- Customers
- Competitors
- Innovation

Finance Markets
- Carbon Tax
- Stranded Assets
- Carbon Bubble

Legislation & Guidelines
- EU Green Deal
- EU Circular Economy
- Paris Climate Agreement

2°C scenario

1.5°C scenario

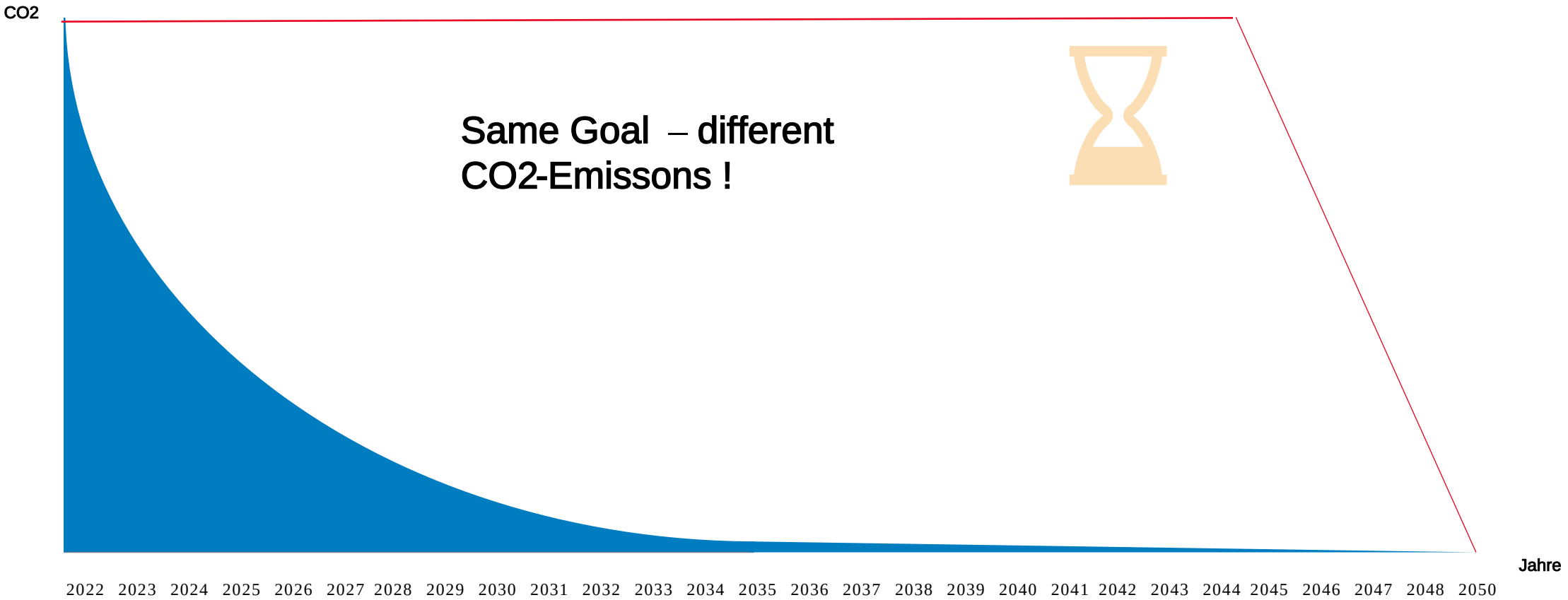
MCC

› Source: https://www.mcc-berlin.net/en/research/co2-budget.html.

Carbon Neutrality until 2050 with Szenario A+B

› Szenario A

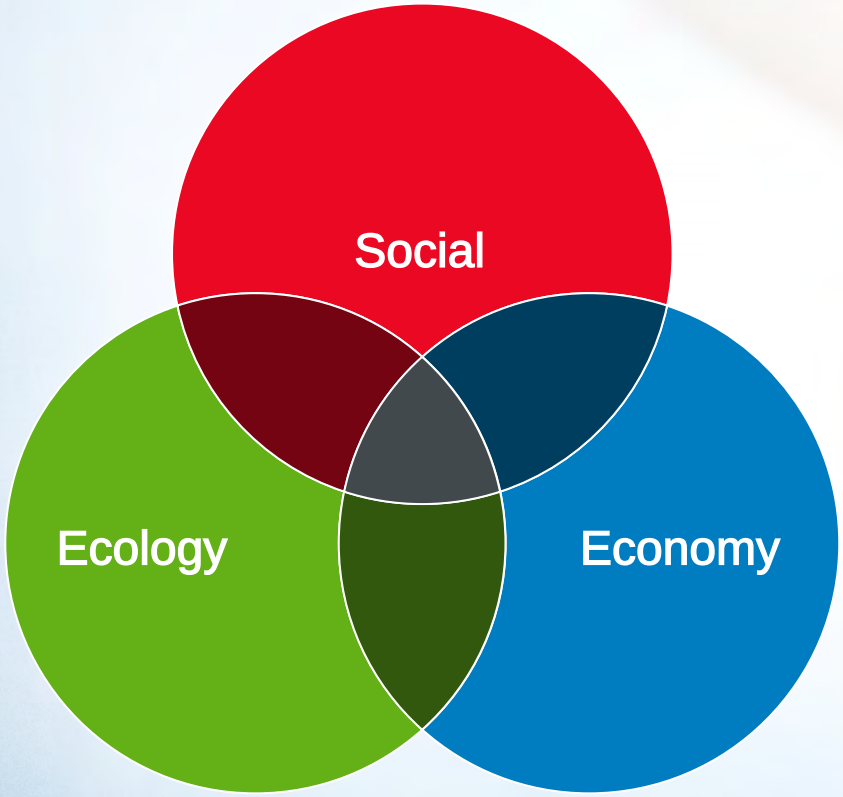
› Szenario B*



*Both emission reduction scenarios (A+B)) are "net zero targets" set to reach no later than 2050. However, the climate is not interested in such a net zero (climate) target; implementation has yet to follow. **According to climate science, in order to meet <2 °C- compatible, only the total amount of emissions (CO2e) colored in blue should get released into the atmosphere.**

Committment to ecological or strong Sustainability

Classic model



Committment to ecological or strong sustainability

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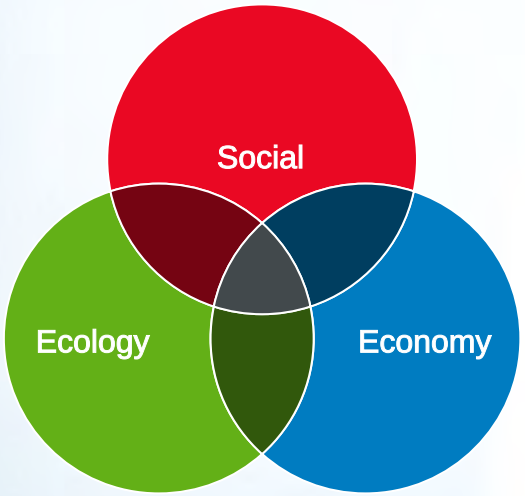
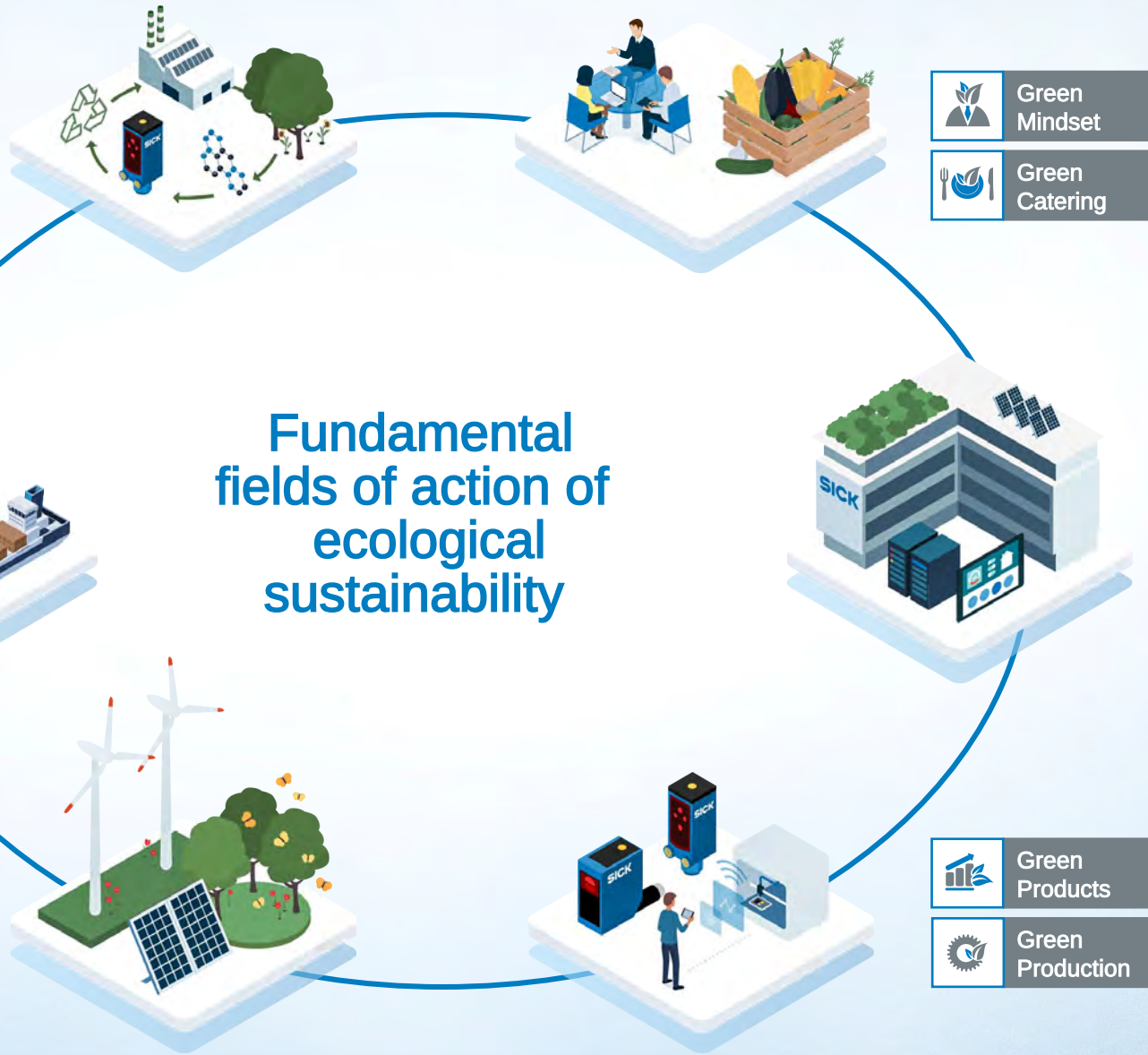


Fundamental fields of action of ecological sustainability



- Green Supply Chain
- Green Materials
- Green Mindset
- Green Catering
- Green Logistic
- Green Packaging
- Green Mobility
- Green Office
- Green IT
- Green Buildings
- Fair Climate & Green Energy
- Biodiversity
- Green Products
- Green Production

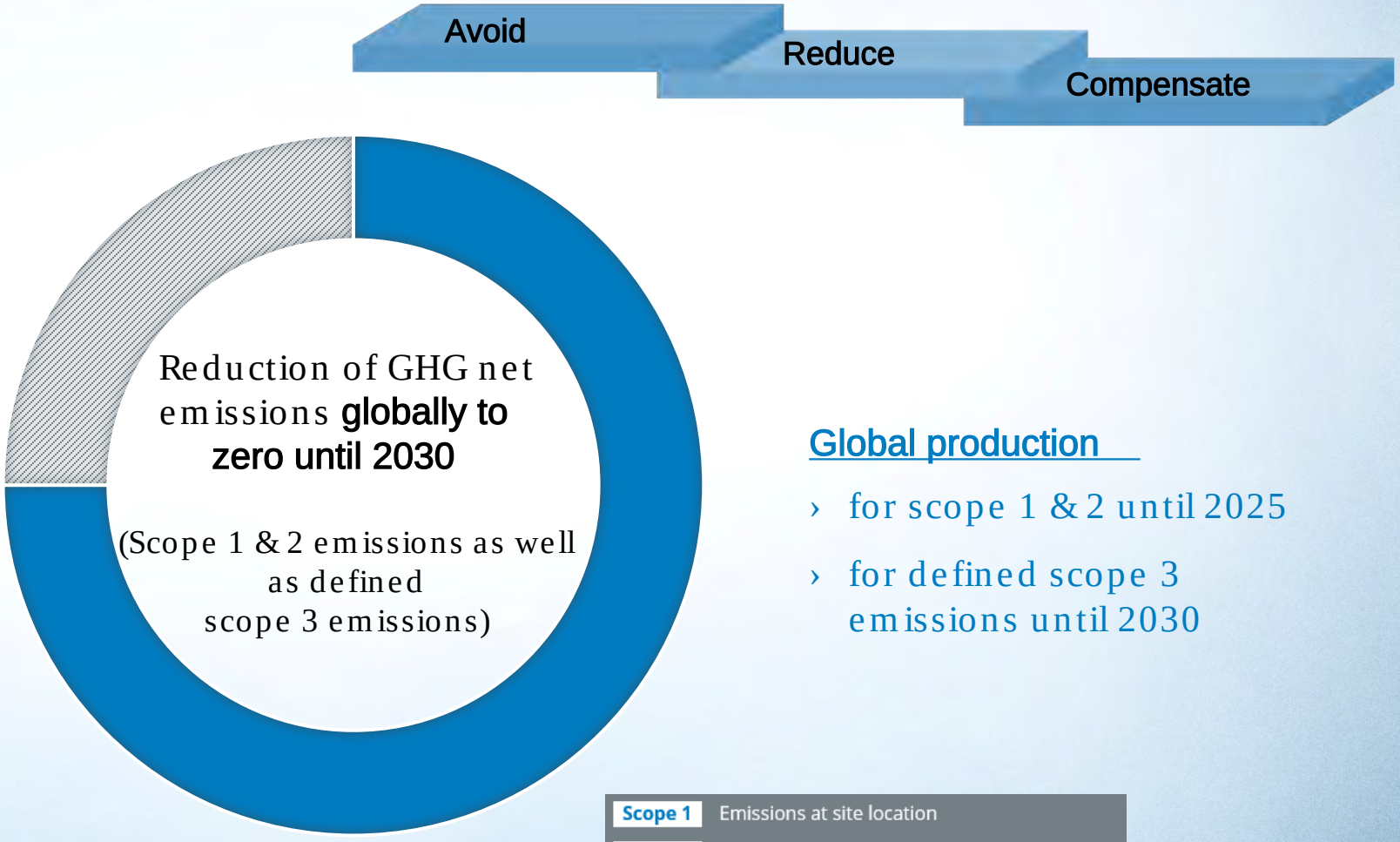
Overall Goal: Our Climate Protection Agreement

SICK acts climate-fair

Based on **3-step hierarchy of actions:**

Germany

- since 2013 scope 1 & 2 and business trips (Scope 3)
- For defined scope 3 emissions for 2020



Global production

- for scope 1 & 2 until 2025
- for defined scope 3 emissions until 2030

Scope 1	Emissions at site location
Scope 2	Upstream energy production
Scope 3	Upstream and downstream value-added chain

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Our Climate Protection Agreement

Fair Climate & Green Energy

Energy efficiency	Self-produced electricity	Green electricity	Heat / gas from renewable energy
Germany Increase by 25% until 2025	**Germany** Increase to 40% until 2025	**Germany** 100% green electricity (since 2013)	**Germany & global production** Market observation and acquisition if feasible
Global production Increase by 25% until 2030	**Global production** Market observation and extension if feasible	**Global production** 100% green electricity until 2025 if feasible	

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Green Buildings

SICK
Sensor Intelligence.

New Buildings

Existing Buildings

Operation of Buildings

Energy standards for new buildings:

- **Different Energy supply concepts** including photovoltaic, geothermal energy, heatpump, combined heat & Power plant → prefer **low temperature heating** e.g. underfloor heating
- Insulation & Lightning standards

Energy efficient renovation of excisting buildings:

- **Efficiency** : LED Lightning, Heating / Cooling / Air condition
- **photovoltaic**
- **Insulation** : windows , roof, walls

Sustainable operation of the buildings:

- Energy Management ISO 50001
- Monitoring & continuous improvement

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4. Goal: Green Materials

1. **Current -state analysis:** What types of environmentally friendly synthetics are there? (recyclates – regranulates – bio-plastics etc.)
2. **Market analysis:** How good is availability?
3. **Analysis of application options** in SICK products (use-cases)
   i. SICK products (filling materials)
   ii. Production equipment (Betriebsmittelbau)
4. **Pilot project**

What helped us to implement our sustainability strategy?

1. Committment from the Top Management
2. Measurable Goals
3. Regulary Network Meetings
4. Continuous internal Communication
5. External Panel of Sustainability
6. Networking beyond SICK
   - Sustainable Companies from different branches
   - Relevant Customer & Suppliers

What are our challenges?

1. Renewable heat production
2. CO2 - Compensation Strategy
3. Scope 3 Emissions
4. Are we doing enough to reach the 1.5° Goal?

SICK Sustainability Strategy.

Together for our future.

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