Sustainable value creation in practice

Alrik Danielson, CEO SKF, SDSN Northern Europe, 26th February 2016
Sustainable development goals

- SKF welcomes this initiative.
- SKF has been acting on many of the issues for many years.
  - SKF Care
  - SKF Code of Conduct
  - SKF Responsible Sourcing Programme
- Practical examples of how we do that focusing on sustainable customer solutions and manufacturing efficiency.
SKF BeyondZero

Examples
• Increasing the positives – customer solutions
• Reducing the negatives – manufacturing efficiency

Environmental impact 0

Increase customer solutions enabling better environmental performance.

Reduce the negative environmental impact from our operations.
• Raw material and components
• SKF’s own operations
• Transport and distribution
Sustainable customer solutions: Automotive weight and friction reduction

Low weight hub bearing units

- Use of low weight material in non-critical parts can reduce component weight by 30%

Optimized flange design

- Changed design reduces the component weight by 10% – used by e.g. BMW

Wheel hubs made from aluminum

- The system weight is reduced by 30%

Low friction hub bearing units

- Optimized ball set geometry and a high-performance grease reduces friction by 20%
Sustainable customer solutions: SKF technologies for emerging tidal power

Tidal power

- Emerging technology
- Harsh operating environments
- SKF solutions improve reliability, availability and maintainability
- Cooperation between industry, academia and policy makers is vital for commercialization
Sustainable manufacturing solutions: Energy and CO$_2$ reductions

- Reduce production machine energy demand
- Increase system efficiencies (compressors, pumps etc.)
- Consistent focus and follow up (ISO 50001)

Scope to do more:
- Scale up the deployment of available technology (incentives, structure)
- Innovation to deliver the next energy efficient technologies
Sustainable manufacturing solutions: Improved efficiency via 5G

Gothenburg 5G enabled manufacturing project
- Collaborative project between Vinnova, SKF, Ericsson and Chalmers
- Dramatic improvement in environmental & economic efficiency, flexibility and traceability
- Helps SKF to achieve World Class Manufacturing
- Supports the development and further deployment of this technology in Sweden and beyond
Sustainable manufacturing solutions:
Lower carbon energy supply

SKF Pune, India
Sustainable manufacturing solutions: Lower carbon energy supply

- 1 MW installed capacity, 1,200 Tonnes of CO$_2$ avoided per year
- Low and stable energy cost
- Zero investment from SKF

Made possible because of partnership
- SKF willing to commit to a power purchase agreement, project finance from third party, conducive market conditions
Conclusion – what sustainability means to us

- Sustainability is integrated into our business thinking
- Sustainability contributes to improved profitability and long term cash flow
- For some issues, partnerships are vital to make development and deployment happen