



# PRINCIPLES OF HUMAN RIGHTS AND ENVIRONMENTAL RESPONSIBILITY

EDITION 2025

# CONTENTS

Foreword	03
----------	----

---

Our Commitment to Respect Human Rights and the Environment	04
--	----

Our Human Rights Responsibilities	05
--------------------------------------	----

Our Approach to Implementing Human Rights and Environmental Due Diligence	07
---	----

Outlook	10
---------	----

---

Contact	11
---------	----

# HUMAN RIGHTS PRINCIPLES

Our mission at ZF LIFETEC is to protect human lives through innovative safety systems. We are convinced that this mission must also coincide with our entrepreneurial standards for ourselves. We therefore proactively and gladly take responsibility for human rights and the environment within ZF LIFETEC's sphere of influence. Human lives are our focus – both technologically and economically.

As ZF LIFETEC, we are committed to internationally recognized human rights and establish suitable management systems to ensure compliance with them. This includes minimizing our impact on the environment. We expect all our employees and managers worldwide to ensure their professional activities are in line with the principles set out in this document. Their implementation is a fundamental part of our responsible corporate management and is decisive for our success.

We expect our business partners and suppliers to implement standards and management systems to implement these principles as well. Both are prerequisites for cooperation with ZF LIFETEC.

Our key human rights topics and management approach are described in the following document. We understand human rights due diligence as a dynamic task and continuously develop our system and processes in order to fulfil our responsibility in the best possible way.



A stylized, handwritten signature in black ink, appearing to read 'Stark'.

**Rudolf Stark**  
Chief Executive Officer  
ZF LIFETEC



A stylized, handwritten signature in black ink, appearing to read 'Loleit'.

**Ulf Loleit**  
Chief Financial Officer  
ZF LIFETEC



A stylized, handwritten signature in black ink, appearing to read 'M. Eisenbarth'.

**Dr. Michael Eisenbarth**  
Chief Operating Officer  
ZF LIFETEC



# 01. OUR COMMITMENT TO RESPECT HUMAN RIGHTS AND THE ENVIRONMENT

Respecting human rights and protecting the environment are key priorities for ZF LIFETEC. We put people at the center of our actions and feel responsible as a company for our employees as well as for the people who work with and for us in the value chain. Their health, safety and well-being and our efforts to minimize our impact on the environment are crucially important and we have made them an integral part of the way we operate based on nationally and internationally recognized standards.

Mutual respect, trust, transparency, and fairness – in our own business area and in cooperation with our business partners – are fundamental principles of our organizational culture. This includes a clear commitment to the following internationally recognized human rights standards:

- The Universal Declaration of Human Rights
- The International Covenant on Civil and Political Rights

- The International Covenant on Economic, Social and Cultural Rights
- The International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work
- The United Nations Guiding Principles on Business and Human Rights
- The OECD Guidelines for Multinational Enterprises
- The Ten Principles of the United Nations Global Compact

We believe that sustainable business practices are only successful if they involve the entire value chain. As a result, we expect that all our employees as well as our business partners comply with applicable laws and regulations as well as with internationally recognized human rights and environmental standards.



## 02. OUR HUMAN RIGHTS RESPONSIBILITIES

To actively safeguard human rights, we identify and analyze human rights and environmental risks that might occur in our own operations as well as in the operations of our business partners. In order to act responsibly and appropriately, we focus our due diligence processes on the most significant risk areas. Within the bounds of our ability, we exert our influence in both upstream and downstream stages of the value chain. We expect current and future business partners to take appropriate actions with regard to the following risks while requiring their own business partners to comply with the same standards as well:

### **Prohibition of Child Labor**

At ZF LIFETEC, we strictly prohibit any form of child labor in accordance with the relevant ILO conventions and actively work on eliminating it. Our internal and external guidelines and provisions are always based on the ILO core labor standards<sup>1</sup>. It is our duty to take targeted action to ensure children's health and safety. We therefore check, for example, whether applicants meet the required minimum age for employment and which activities individuals under the age of 18 are permitted to carry out.

### **Prohibition of Forced Labor**

We take a zero-tolerance approach towards any form of forced or compulsory labor or other forms of modern slavery and human trafficking. In accordance with ILO core labor standards<sup>2</sup>, we reject the use of forced or illegal labor in all areas of our business operations and within our value chain. All employment contracts, whether with ZF LIFETEC itself or with business partners commissioned by us, must always be based on the principle of consent. It must be possible to terminate each employment relationship with a reasonable notice period provided for by law.

### **Freedom of Association, Right to Collective Bargaining and Right to Strike**

We respect the right of our employees to form associations, conduct collective bargaining on working conditions and

exercise their right to strike in accordance with applicable national and international law<sup>3</sup>. The company and the employees' representatives undertake to always collaborate in a trustful and constructive manner.

Belonging or not belonging to a trade union or employee representative body does not lead to any preference or disadvantage within our company<sup>4</sup>.

### **Equal Treatment and Protection from Discrimination**

We actively promote equal rights for our employees and firmly reject any form of discrimination<sup>5</sup>. It is vital to us that we treat all our employees fairly and refrain from making any distinction based on characteristics such as gender, origin, nationality, religion, political or trade union activity, sexual identity, physical or mental disability, or age. For us, diversity and inclusion are a central part of our business strategy, promoting recognition and appreciation of diversity and individuality.

### **Right to Health and Occupational Safety**

ZF LIFETEC attaches great importance to ensuring occupational safety and health. A group-wide management system ensures that at a minimum, national and international occupational health and safety regulations are implemented in all areas of operations and at all locations. ZF LIFETEC pursues a preventive approach to continuously improve working conditions and employees' awareness of behaviors that promote safety and health. In this context, ZF LIFETEC follows recognized certification processes to systematically enhance occupational safety and health.

### **Working Hours**

The working time guidelines at ZF LIFETEC take into account both the requirements of the company and the needs of our employees. From our perspective, the way we arrange and schedule working hours is an important factor in being attractive as an employer. Being able to reconcile work with family life is a key part of the company's personnel policy. In this

<sup>1</sup> ILO Conventions No. 138 and No. 182

<sup>2</sup> ILO Convention No. 29, No. 105 and Protocol of 2014 to the Forced Labor Convention

<sup>3</sup> ILO Conventions No. 87 and No. 98

<sup>4</sup> ILO Convention No. 135

<sup>5</sup> ILO Conventions No. 100, No. 111 and No. 190

regard, we adhere to the ILO core labor standards and follow the respective national provisions on working, vacation, break, and rest times. This also includes compensation for overtime worked, whether by time off in lieu or by appropriate payment.

### **Right to Fair Remuneration**

We offer our employees competitive and performance-based remuneration that is supplemented by additional benefits. The principle of equal pay for work of equal value applies. If applicable, we comply with locally required and legally enforced minimums within the respective industry when determining remuneration. Remuneration and expenses are paid on time, in full and in recognized currencies and can only be withheld on a sufficient legal basis and an appropriate justification within the terms applicable to the payroll.

### **Education and Training**

ZF LIFETEC promotes its employees' education and further training in order to ensure competitive levels of quality and performance. Employees are supported through their professional careers with an extensive range of education and training initiatives. The aim is to continuously improve employees' skills, both to enhance their employability and to deliver on the principle of lifelong learning.

### **Protection of Local Communities and Indigenous Peoples**

At ZF LIFETEC, we take the local impact of our operations into account and respect the rights of local communities and indigenous peoples who may be affected by our business activities or those of our business partners. In our business operations, we consider risks such as air, water and soil pollution, deforestation, improper handling of hazardous waste or groundwater abstraction in water-stressed regions. Likewise, we strongly oppose the destruction of cultural and sacred sites as well as unlawful eviction from and denial of access to lands, forests, and waters.

### **Protection of Human Rights When Using Security Forces**

We do not tolerate unlawful behavior of security forces towards employees or third parties. We contractually oblige providers of security services we use to respect all internationally recognized human rights. By providing appropriate guidelines and measures we ensure that our service providers receive advice and, if necessary, training.

### **Use of High-Risk Raw Materials**

We take a risk-based approach to minimize negative impacts on human rights and the environment related to our use of raw materials. The company is aware that procuring and processing certain raw materials used in our products poses risks to people and the environment, so these materials require special attention. With that in mind, we act in accordance with national and international rules and guidelines<sup>6</sup>.

### **Protection of Personal Data**

It is highly important to us that we protect the privacy rights of all our employees, customers, and business partners with regard to personal data. This also applies to the personal data of all third parties we come into contact with. Our focus is on complying with the applicable data protection laws and on handling personal data ethically and responsibly within the context of our business processes.

### **Use of Artificial Intelligence**

At ZF LIFETEC, we set high standards when it comes to the use of artificial intelligence (AI). We ensure that people are the central point of focus and that both the opportunities and the risks are taken into account. Our principles include ethical and legal considerations in the development and use of AI with a view to shaping digital transformation in a responsible manner. With regard to AI, attributes such as transparency, data protection, security and reliability must be guaranteed.

### **Human Rights and the Environment**

At ZF LIFETEC, we actively promote environmental protection and are aware of the possible impacts of our products, manufacturing and procurement processes on the environment and people. For this reason, we ensure that we take a responsible approach towards human rights and the environment in our own business and in our relationships with business partners.

Through our ZF LIFETEC Environmental and Energy Management Directive, we are committed to sustainable action across every area of our business. Our focus is on using resources responsibly and materials efficiently. We are actively at work to prevent negative environmental impacts.

---

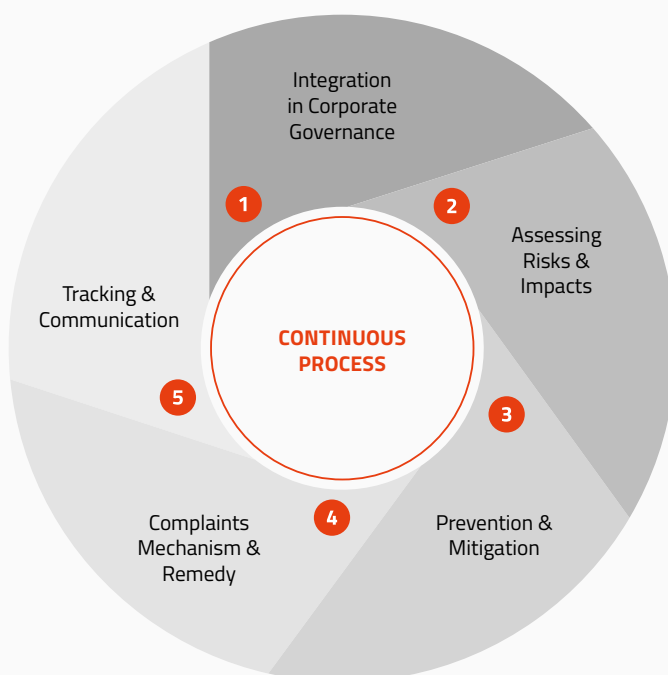
<sup>6</sup> Minamata Convention on Mercury, October 10, 2013; Basel Convention for the Control of Transboundary Movements of Hazardous Wastes, March 22, 1989; Stockholm Convention on Persistent Organic Pollutants, May 3, 2001

## 03. OUR APPROACH TO IMPLEMENTING HUMAN RIGHTS AND ENVIRONMENTAL DUE DILIGENCE

As part of ZF Group, our Human Rights and Environmental Due Diligence (HREDD) system builds on the established standards and processes of ZF Group. Until 2024, human rights and environmental risk management for ZF Lifetec operations and supply chain was fully integrated into ZF Group processes. Starting with 2025, ZF Lifetec has established structures and processes which enable us to manage our human rights and environmental risks separately from the Group while fully meeting Group-standards. Processes are aligned where necessary and collaboration continuous in selected areas to utilize synergies.

The five core elements of the ZF LIFETEC HREDD-process ensure that we identify negative impacts of business activities on human rights and environment at an early stage through proactive opportunity and risk management. The HREDD-process is consistently integrated into ZF LIFETEC's corporate governance structure and encompasses all functions, business units and regions. We refine our human rights strategy continuously based on findings and risk factors.

### ZF LIFETEC HREDD-PROCESS



#### 1. Integration in Company Governance:

At ZF LIFETEC, respect for human rights and the environment is a fundamental component of responsible corporate management and is firmly anchored in our corporate strategy.

#### 2. Assessing Risks & Impacts:

We constantly analyze the effects of our actions on human rights and the environment. Our processes include an annual risk analysis as well as ad hoc analyses in case of significant changes in our business activities or risk situation.

#### 3. Prevention & Mitigation:

The results of our risk analyses serve as a basis for risk-based measures and controls to prevent or mitigate risks. These might include adaptation of our purchasing practices, collaboration with suppliers or revision of our internal processes.

#### 4. Complaints Mechanism & Remedy:

Employees, individuals working with us in the value chain, and other persons of interest have the opportunity to submit complaints to ZF LIFETEC through the ZF Trustline. Our intent is to offer a transparent and trusted way to handle grievances and provide remediation where appropriate.

#### 5. Tracking & Communication:

We want to make progress visible. Audits based on industry-wide standards serve as an important tool. In addition, we have clear internal monitoring and reporting processes. We communicate our progress regularly to external stakeholders on our website.



### Scope & Expectations towards Employees and Business Partners

The principles set out in this document apply to all employees of ZF Airbag Germany GmbH and all of its directly and indirectly controlled subsidiaries (collectively "ZF LIFETEC")<sup>7</sup>. It also extends to all business partners and their employees along our entire value chain.

Respect for human rights and the environment is an integral part of ZF LIFETEC's organizational culture and shared values. Employees and management worldwide are required to comply with the principles set out in this document and to ensure their professional activities are in line with them as well as with our Employee Code of Conduct. These principles are key for ZF LIFETEC in order to fulfill our corporate responsibility toward internationally recognized human rights and rights at work. Their implementation in our business worldwide is of utmost importance to ZF LIFETEC.

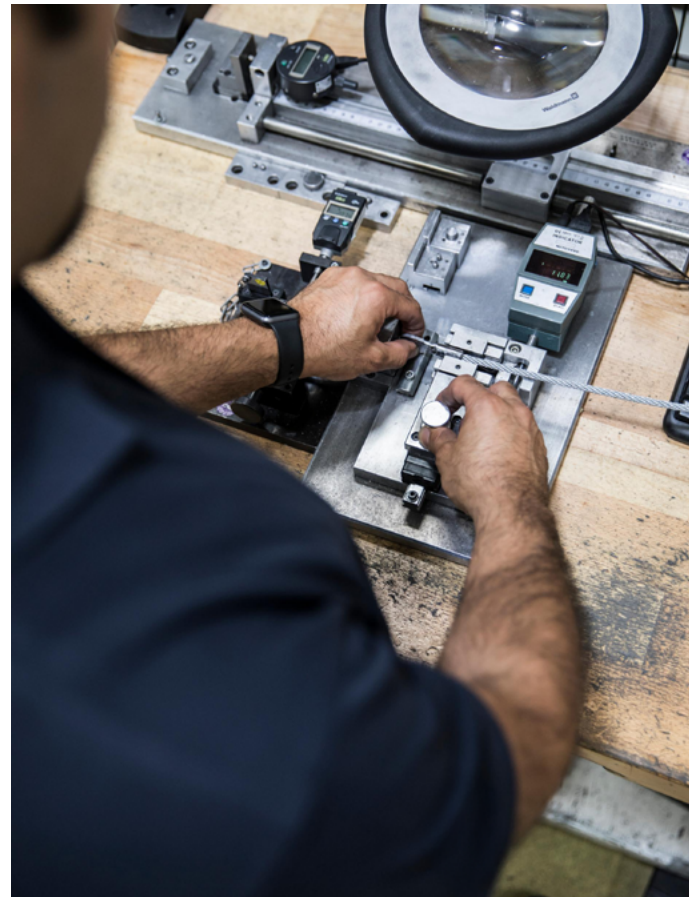
Commitment of our suppliers and other business partners to the respect of human rights as well as an appropriate due diligence system are indispensable preconditions for collaboration with ZF LIFETEC. Our Business Partner Code of Conduct is a mandatory component of our contractual relationships with suppliers. It is aligned with the principles set out in this document and requires the supplier to implement appropriate processes and systems to ensure compliance and to demand the same from their respective suppliers.

### Integration in Corporate Governance

ZF LIFETEC has defined an integrated corporate governance framework encompassing Internal Audit as well as Governance, Risk & Compliance Management along the "Three Lines of Defense". HREDD is fully incorporated in this system.

The first line consists of the individual functions who encounter human rights and environmental risks in their daily operations. Regarding HREDD, most relevant functions in ZF LIFETEC are Material Management for the supply chain and Human Resources, Operations, Engineering, and Corporate Security for own operations. These functions are responsible for identifying and analyzing risks and for initiating appropriate measures.

The second line consists of the GRC-organization encompassing Enterprise Risk Management (ERM), the Internal Controls System (ICS), and Compliance Management. Roles and responsibilities for human rights risk management are defined



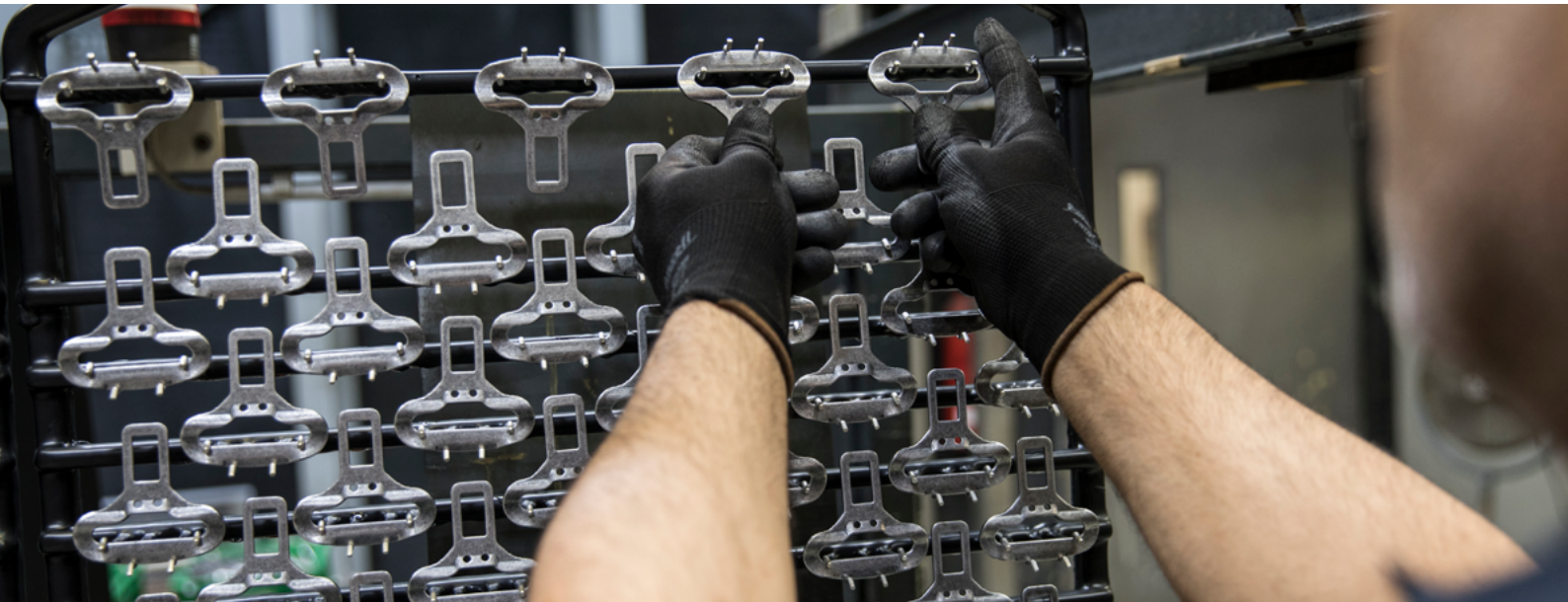
based on these frameworks and are subject to the principles of good corporate risk management and internal controls.

ZF LIFETEC's Internal Audit forms the third line of defense. Internal Audit performs an independent and objective assurance activity to safeguard the implementation and adherence to internal and external regulations. In addition, Internal Audit also performs consulting activities designed to add value and improve the operations of ZF LIFETEC and its subsidiaries.

In addition to these levels, ZF LIFETEC appoints an independent Human Rights Officer (HRO), who on behalf of company leadership continuously monitors appropriateness and effectiveness of the overall HREDD-system and provides guidance and consultation to the responsible functions. Responsible functions also report to the HRO. The HRO in turn reports regularly at least once a year to the Board of Management and is also responsible for internal and external communication including regulatory reporting. The HRO reports quarterly to the HRO of the ZF Group to ensure compliance with group-wide standards.

<sup>7</sup> German Supply Chain Due Diligence Act (LkSG) §2 (6); see also "controlling influence", German Commercial Code (HGB) §290





### Assessing Risks & Impacts

Basis for our human rights management approach is a comprehensive risk analysis covering our own operations and the supply chain. We analyze human rights and environmental risks annually as well as ad hoc in case of operational changes or substantiated knowledge, e.g. when receiving a notification. Our risk analysis process focuses in a first step on the identification of country- and commodity-specific risks (abstract analysis), and in a second step on company-specific risks (concrete analysis). In order to guide our risk analysis process and to weigh and prioritize risks, we include criteria of appropriateness such as the nature and extent of our business activities, our ability to influence the party directly responsible, the severity, reversibility and probability of the impact, and our causal contribution.

To identify risks, we use digital risk databases and analyses, company data, business partner information as well as feedback from selected stakeholders from industry initiatives, multi-stakeholder dialogues and direct dialogue with local communities or NGOs. We also take into account learnings from taken measures as well as from handling complaints procedures.

ZF LIFETEC believes that key to an effective HREDD-system is rightsholder-centricity and cooperation within the industry as well as with other stakeholders. As a consequence, we pursue a collaborative approach allowing for knowledge sharing, e.g. regarding risk analysis along the value chain, and open dialogue, including directly with rightsholders and their legitimate representations such as worker councils, employees of trust, communities surrounding our plants and civil society organizations.

### Prevention & Mitigation

Goal of our HREDD-system is to prevent negative impacts for rightsholders and the environment or minimize the impact where it cannot be prevented. We therefore initiate measures based on the findings from our risk analysis. For the determination of measures, we follow a risk-based approach, meaning that we address prioritized risks first and apply the criteria of appropriateness.

We have established standard processes and measures for identified risks in the supply chain which include questionnaires that are standardized for the automotive industry and audits for suppliers with increased risk exposition. These serve as tools to better understand the risks and to define corrective actions. In addition, where our influence is limited, we enter into collaborative relationships with other parties, e.g. industry and multi-stakeholder initiatives.

In our own operations we appropriately align our management and procurement practices based on identified risks. We raise awareness on significant areas of risk among our management and provide training to relevant staff. We use our Internal Control System (ICS) to implement controls and to deal with inherent process risks that affect human rights. We have defined incident management and escalation processes for our own operations as well as the supply chain, which enter into force when necessary.

### Complaints Mechanism & Remedy

ZF LIFETEC provides an electronic notification system in various languages, the ZF Trustline. The system is available to all employees, business partners and their employees as well as other involved parties if they wish to report suspected misconduct with regard to human rights and the environment. In addition, it is possible to directly contact ZF LIFETEC management, the Compliance organization, or the Human Rights Officer ([humanrights@zf-lifetec.com](mailto:humanrights@zf-lifetec.com)). Notifications through all channels can be made anonymously.

We have defined a diligent process for reviewing and handling notifications. Assigned case managers are subject to special duty of confidentiality, are impartial, and have the necessary expertise to professionally handle complaints. The complainant will be informed throughout the process. In confirmed cases, we will endeavor to provide adequate compensation and initiate other remedial actions as appropriate to alleviate the extent of the violations.

Our suppliers are contractually required to notify ZF LIFETEC in case of violations and to collaborate in the investigation of (potential) violations. In addition, we reserve the right to demand immediate remedial actions, initiate legal measures, temporarily suspend collaboration or as a last resort terminate the business relationship.

### Tracking & Reporting

We check the appropriateness and effectiveness of our HREDD-system as well as taken measures continuously. In order to monitor and document our progress, we develop suitable indicators. We identify learnings and continuously advance our processes and systems based on findings. Where possible, we consult rightsholders and their legitimate representations.

We communicate our HREDD-processes and progress in various reports, which we make available on the ZF LIFETEC website. They are updated on a regular basis.

## 04. OUTLOOK

We understand HREDD as a continuous effort to reappraise our risk exposure and develop our business processes and practices. We therefore continuously review the appropriateness and effectiveness of our HREDD-system and in this context will also regularly update this document.



## **ZF LIFETEC**

ZF Airbag Germany GmbH  
Wernher-von-Braun-Straße 1  
D-84544 Aschau am Inn  
[www.zf-lifetec.com](http://www.zf-lifetec.com)