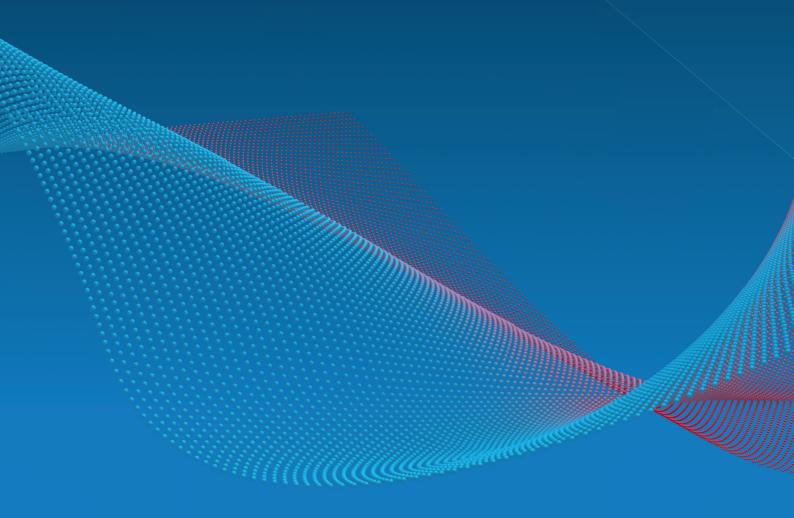


# Business Partner Principles



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### **Foreword**

#### **Dear Valued Business Partner,**

For more than 100 years, ZF Friedrichshafen AG (together with its affiliates, "ZF Group") has established and maintained its position as a global leader in the automotive industry. The foundation of this success comes from ZF Group's strong commitment to delivering outstanding products, services and mobility solutions, while embracing its social, ethical and legal responsibilities.

At ZF Group, all business behavior must be in line with all applicable laws, without exception. We also believe that our responsibilities go beyond compliance with legal requirements, and include legal, ethical and social core principles that we follow every day to drive our business decisions and actions.

We hold ourselves to high standards, and we expect the same from all business partners that we work with. The following ZF Business Partner Principles explain these expectations in further detail and outline the core principles that form the minimum standards for Business Partners of the ZF Group. We look forward to establishing and growing our business relationships in line with these important considerations.

Friedrichshafen, July 2020



Solf-M. M.L Sabiertos



Wolf-Henning Scheider Chief Executive Officer

ZF Friedrichshafen AG

Sabine Jaskula Member of the Board of Management, HR & Legal ZF Friedrichshafen AG



## Introduction

These Business Partner Principles lay out the minimum requirements and specify the core principles ZF expects all of its business partners to adhere to when engaging in business with any entity that is part of or affiliated with ZF group ("ZF").

ZF reserves the right to suspend or cease its business relationship with any business partner that does not comply with these principles or applicable law.

The requirements and core principles laid out herein conform to national and international laws, principles and conventions, such as the principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and relevant conventions of the International Labour Organization (ILO).

Business partners are all natural or legal persons from whom ZF procures supplies or services or to whom ZF sells products or services. For instance, business partners include but are not limited to suppliers, customers, commercial agents, representatives, intermediaries, consultants, or other providers of goods and services.

### **ZF Business Partners must:**

- Conduct business with integrity, act in compliance with all applicable laws and implement the core values and principles laid out in these Business Partner Principles.
- Ensure that the same is put into practice throughout the business partners' supply chain.



# Combating Corruption and Money Laundering

### **Ban on Corruption**

ZF does not tolerate any form of bribery or any business practices that could create the impression of improper manipulation or influence. This applies irrespective of any alleged regional customs.

While conducting business activities related to ZF, business partners must prohibit directly or indirectly accepting, offering or granting tangible or intangible benefits (in form of gifts, invitations or other gratuities) to or from ZF, public officials or third parties, when these benefits are designed to dishonestly influence business procedures, accelerate or carry out an official act (facilitation payments), or when they create the impression of doing so. Especially in dealings with public officials and authorities, ZF expects its business partners to ensure their employees follow the law and act and proceed with integrity.

### **Money Laundering**

Money laundering is the process of placing assets from illegal sources or illegal business activities (e.g., drug trafficking, theft, tax-evasion, corruption, etc.) into the legal, financial or economic cycle for the purpose of concealing or disguising the illicit origin of the assets.

ZF strives to combat money laundering and expects its business partners to do the same by adopting applicable measures to ensure compliance with the relevant national and international standards and laws.



### Fair and Free Markets

### **Antitrust and Competition**

ZF champions the principles of fair and free competition as a fundamental component of the market economy. Thus, business partners must ensure that they adhere to the applicable antitrust and competition laws in all aspects of their business activities. ZF expects all of its business partners to refrain from engaging in any act that is aimed at or results in the hindrance, restriction, or distortion of free and fair competition.

Specifically, ZF does not tolerate:

- Anti-competitive contracts, agreements, or collusion with current or potential competitors, including but not limited to agreements aimed at fixing prices or premiums, limiting the type, quantity or quality of products or services delivered, bid rigging, allocation of customers or subdividing markets;
- Abuse of a leading position in a certain market; or
- Vertical restraints or contracts (with suppliers or customers) that set out to, or actually manage to, prevent or restrict free and fair competition in violation of applicable laws.

# **Export Controls**

Without exception, ZF business partners are expected to strictly follow all applicable international trade regulations and adhere to the rules and regulations governing import and export controls, including any applicable economic embargos.



# Human Rights and Social Responsibility

### **Human Rights**

The respect of dignity, privacy, and personal rights of every individual are the utmost priority for ZF. Therefore, ZF business partners must respect and uphold all applicable laws and nationally and internationally recognized human rights standards. In addition, they must ensure that human rights are respected and, particularly, that human dignity is safeguarded in every business activity. ZF expects all its business partners to reject any form of human trafficking, forced labor and child labor. The minimum age for employment stipulated in national legislation must be strictly observed by ZF's business partners and all work performed by employees of ZF's business partners must be voluntary. ZF furthermore expects all its business partners to respect the freedom of association and the right to collective bargaining as provided by applicable laws.

Business partners should actively seek to improve and further human rights where they operate, prevent negative human rights impacts from occurring, and provide remedy when they do.

ZF requires its business partners to be aware of their social responsibility towards their employees and to ensure fair and appropriate remuneration and working hours in accordance with applicable laws. Business partners should also support the development of their employees.

### **Equality in the Work Place**

ZF does not tolerate any discrimination on the grounds of race, sex, religion, age, national origin, pregnancy, disability, sexual orientation, or political and trade union engagement, and other characteristics protected by applicable law and expects its business partners to prohibit discrimination on such grounds.

Business partners must adhere to and implement all applicable legal requirements regarding a safe and healthy working environment. ZF requires business partners to ensure that they and their employees take measures to ensure compliance with these laws. ZF cares for the health & safety of its employees and is committed to working to eliminate occupational accidents, and we expect our business partners to do the same.





### **Environmental Protection**

Respecting our planet's natural habitat, conserving resources and reducing pollution is of utmost importance. ZF therefore requires its business partners to share ZF's commitment to environmentally friendly product design,

reducing the environmental impact of business processes, continually improving energy utilization, and working towards a climate neutral conduct of business.

# **Product Compliance**

ZF holds itself to the highest product standards and is committed to making high quality products that are safe and comply with all applicable laws, regulations, and standards. ZF holds its business partners to the same

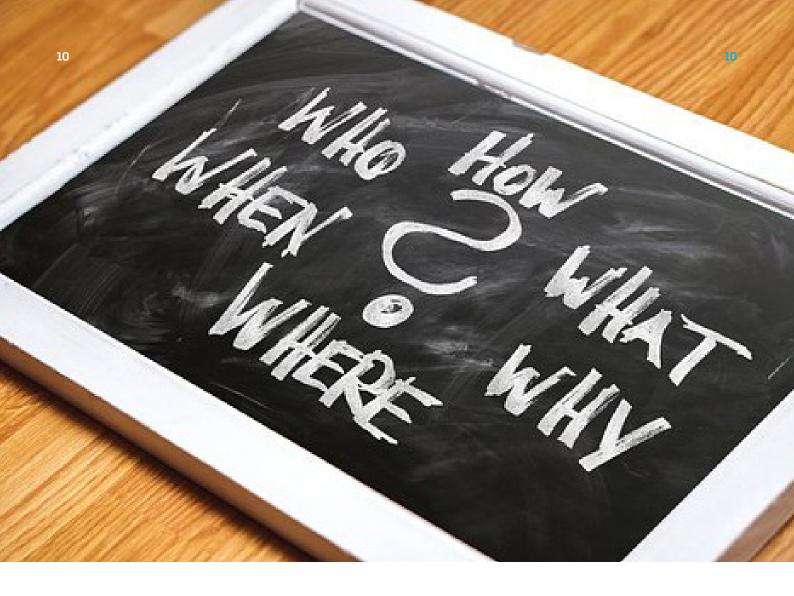
high standards and expects them to also deliver fully compliant products of the same high level of quality and safety. ZF does not tolerate illegal or unethical conduct by its business partners in respect of their products.



# Handling of Information and Protection of Data

When conducting business with ZF, business partners must ensure that sensitive business, technical and financial information, know-how and trade secrets are appropriately protected with regards to confidentiality, availability and integrity and not disseminated without the appropriate authorization or in accordance with applicable legal requirements.

Additionally, ZF business partners may be required to prove a mature Information Security Management System according to ISO27001 or TISAX and have to protect rights to privacy, in conformance with the applicable law in all business processes, to avoid data breaches and cyber security attacks.



# Reporting of Potential Violations

#### **ZF Trustline**

ZF expects its business partners to report any potential criminal offenses or legal or ethical violations that might have an impact on ZF. To submit such reports, the ZF Trustline can be used anonymously if desired www.bkms-system.net/Trustline

ZF business partners must also have appropriate systems and controls in place to ensure that unethical and illegal business practices can be reported within their own company. ZF does not tolerate retaliation against persons who submit reports of potential violations in good faith and expects the same of its business partners.

### **Cooperating with ZF**

Trust and cooperation are the basis of the relationship between ZF and ZF's business partners. Therefore, ZF has specific processes in place to ensure that ZF's business partners uphold the core values laid out in these Business Partner Principles. For example, ZF conducts business partner checks to help mitigate potential compliance and ethical risks. In this regard, ZF may request its business partners to support these efforts appropriately and reasonably, for example by providing specific information.

#### **Contact**

Business partners are welcome to contact ZF's Corporate Compliance department directly if they have questions about these Business Partner Principles and their implementation.

### **Corporate Compliance**

ZF Friedrichshafen AG Löwentaler Straße 20 88046 Friedrichshafen

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