



Australian Modern Slavery Act Transparency Statement (Reporting Year 2024)

Preamble

The statement is made on behalf of the ZF Group with ZF Friedrichshafen AG as the parent company and its Australian subsidiaries (referred to as "ZF"). ZF is committed to ethical sourcing and to comply with the laws and regulations of all the jurisdictions where ZF conducts business worldwide.

ZF, its Business and Supply Chain

ZF is a corporation headquartered in Friedrichshafen (Germany). The Zeppelin Foundation owns 93.8% of the company. These shares are managed by the city of Friedrichshafen. The remaining 6.2% are owned by the Dr. Jürgen and Irmgard Ulderup Foundation, Lemförde (Germany). The shareholders exercise their voting rights at the annual shareholders' meeting.

ZF is headed by the Board of Management, which manages the company, and by the Supervisory Board, which monitors the Board of Management. For the most part, the activities of the Board of Management are strategic in nature and comprise responsibility for the corporate functions, the divisions, and the regions. Business activities by product segments are organized by divisions.

As a global technology company, ZF is supplying advanced mobility products and systems for passenger cars, commercial vehicles, and industrial technology. In the four technology domains of Vehicle Motion Control, Integrated Safety, Automated Driving and Electric Mobility, ZF offers comprehensive product and software solutions for established vehicle manufactures and newly emerging transport and mobility service providers. With its products, the company contributes to reducing emissions, protecting the climate, and enhancing safe mobility. Alongside our core markets – passenger cars and commercial vehicles – ZF also serves market segments such as construction and agricultural machinery, wind power, marine propulsion, rail drives, special drives, and test systems.

ZF has around 161,600 employees worldwide and is represented with 161 production locations in 30 countries. A major part of its value creation lies in sourcing appropriate components. For production materials, ZF maintains a worldwide network of approximately 12,000 suppliers, ranging from small family businesses to large corporations. Furthermore, ZF cooperates globally with about 35,000 suppliers of non-production materials. Adding up to a purchasing volume of over €30 billion.

According to ZF's purchasing strategy, raw materials and components are to be procured from a variety of different suppliers in different regions. Nevertheless, we cannot always avoid being dependent on individual suppliers. Delays in delivery and supply shortages (e.g., due to natural disaster, cyber-attacks on suppliers, financial imbalances of suppliers and even insolvency) as well as the consequences of strikes or insufficient quality can lead to production and delivery interruptions at ZF. Volumes have declined; purchase prices and costs have gone up in recent years. Since there are only limited possibilities to pass on these price increases within the value chain, this poses a particular burden on medium-sized companies in Europe. In the area of production materials, this primarily affects casting suppliers.



Policies in Relation to Modern Slavery and Human Trafficking

The ZF Code of Conduct (CoC) is the key document addressing individual responsibility within the ZF Group. It is currently available in 27 languages and provides all employees with clear orientation for flawless and responsible business conduct. The CoC also includes commitment to human rights, clearly stating the rejection of human trafficking, forced labor and child labor. ZF uses its Compliance Helpdesk as a tool for systematically clarifying and documenting questions relating to compliance. ZF employees can contact it whenever they are faced with a compliance-related issue in their day-to-day business activities. The Compliance Helpdesk also includes the topic of human rights, offering a first orientation regarding human rights due diligence including modern slavery and human trafficking as well. In addition, notifications, and reports on critical issues, such as child labor, violations of human rights or environmental protection, can be communicated via the “ZF Trustline” since 2020.

As for ZF's supply chain, all new and existing suppliers are required to endorse the ZF Business Partner Code of Conduct (BP CoC). It represents the key values that are indispensable for ZF. Compliance with national and international laws and regulations at all locations worldwide is considered as the minimum requirement. The BP CoC also conforms to various 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 Labor Organization.

More precisely, the BP CoC contains guidelines specifying fundamental requirements for collaboration with ZF's business partners. The BP CoC addresses topics such as human rights, labor standards, occupational safety and health, environmental protection, business ethics and compliance. Business partners are expected to reject any form of slavery, forced labor or child labor. ZF also expects them to respect freedom of association and the right to form interest groups, to provide fair and appropriate remuneration and working times in accordance with applicable law and to promote the qualification of their employees. The BP CoC also expects suppliers to ensure that these values are respected in their supply chains.

In Germany, external service providers must sign an additional declaration of compliance to collective agreements guaranteeing fair wages, working hours compliant with legal requirements and the rejection of unregistered labor and tax evasion. This declaration also applies to subcontractors engaged by ZF and includes the provision that ZF may check compliance at any time.

In 2023, our Policy Statement on Respect for Human Rights has been revised in cross-functional working groups and in coordination with our employee representatives. From the beginning of 2024 the implementation and communication of the updated human rights policy statement started and by the end of 2024 we have deployed a mandatory web-based training on human rights due diligence for about 60,000 of our employees.

Due Diligence Processes in Relation to Slavery and Human Trafficking within the Supply Chain

Sustainability management in the supply chain plays a decisive role for ZF. This applies to both environmental issues such as reducing greenhouse gas emissions and social issues such as respect for



human rights. To reinforce sustainability and combat human trafficking, forced labor and child labor within ZF's supply chain, the ZF Group uses a mandatory requirement for the approval of new suppliers and for ongoing sourcing of production material.

To be able to evaluate the sustainability performance of suppliers, the company has implemented the ZF Sustainability Score (SUS Score). This fully digital solution requires compliance with social and environmental requirements and measures sustainability performance using three key values: the green electricity share in 2025, the result of Supplier Sustainability Questionnaire and the acceptance of the BP CoC. The SUS Score applies to the awarding of new business as well as to the approval of new suppliers. It is a binding element of the Sourcing Decision Board, the highest procurement body in the Group.

To be ready for future sourcing or to become an approved supplier for the ZF Group, suppliers need to achieve a SUS score of >65%. If the SUS score is below 65% the supplier needs to work on improvement measures to reach the minimum score.

In the year under review, 2024, the determined SUS Scores formed the basis for further measures, including the newly introduced "Responsible Spend" KPIs.

In addition to the minimum SUS score of 65%, ZF has defined minimum requirements for each topic. For example, regarding social compliance ZF has defined minimum requirements for our supplier base with the aim to minimize potential negative impacts and human rights violations by the implementation of preventive measures.

As a minimum, ZF requires the following preventive measures from its suppliers:

- A policy covering working conditions and human rights
- A policy covering health and safety topics
- A policy or code of conduct to define and pass along sustainability and human rights expectations towards suppliers

The new and fully digital solution including automated workflows gives ZF the possibility to measure the overall sustainability performance of a supplier.

In order to comply with all applicable legal requirements ZF reviewed and revised the existing approach to human rights risk analysis. As part of this, ZF has introduced all core elements of the Human Rights Due Diligence (HRDD) approach. ZF uses the risk management process to determine the risks of negative impact on human rights and prioritizes them according to their severity. Based on the risk assessment, ZF defines preventive and remedial measures. The company introduced a risk analysis tool that enables risks in global supply chains to be automatically, legally, and efficiently identified. For this purpose, the analysis tool uses publicly available data from local news, social media, and other databases. This information is supplemented by internally available supplier information. This enables a holistic risk analysis to identify and prioritize suppliers with potential risks as well as the nature and scope of business activities, severity, and reversibility of violations. For suppliers with increased risks, ZF initiated preventive mitigation measures such as on-site assessments to minimize these risks.

ZF is part of an initiative for sustainable supply chains in the automotive industry called Responsible Supply Chain Initiative e.V. (RSCI). At its core, the RSCI has developed a standard and a central platform for a standardized sustainability assessment of production locations. The initiative also carries out on-site assessments and tracing. Using the RSCI standard helps to avoid multiple audits and to recognize third-party audit results.



In addition, notifications, and reports on other critical issues in the supply chain, such as child labor, violations of human rights or environmental protection, can be communicated via the ZF Trustline. Our suppliers are made aware of this notification system in the BP CoC, among other means.

The extraction of raw materials comes with environmental and social risks. The mining and trading of conflict minerals may contribute to financing armed conflicts or human rights violations. As ZF is aware of these risks, the company strives to comply with environmental and human rights standards along the entire value chain. ZF requests all relevant suppliers of production material to annually disclose the origin of the resources using the Conflict Minerals Reporting Template of the Responsible Minerals Initiative (RMI). The selection of relevant suppliers is based on a due diligence process and follows the OECD five-step plan. The annual conflict minerals reporting covers about 1,000 suppliers. Since these minerals are necessary for technical functions in some of the company's products, ZF works to avoid sourcing from potentially critical smelters. All relevant suppliers receive written notification explaining that ZF is committed to eliminating critical smelters from its supply chains. The company also asked all suppliers to fulfill their due diligence obligations and remove possible or actual critical smelters from their supply chains. The response rate for the year under review, 2024, was 86%. In the current reporting year, 92% of tantalum, 64% of tungsten, 71% of tin, and 49% of reported gold smelters originating from Conflict- Affected and High-Risk Areas (CAHRAs, according to Dodd Frank Act) are certified to the Responsible Minerals Assurance Process standard by the Responsible Minerals Initiative (RMI). ZF is pursuing the goal of continuously increasing the share of certified conflict-free smelters. The company also expanded its due diligence activities for conflict minerals to the supply chain of cobalt and mica. In addition, ZF focuses on sustainable sourcing of rare earth elements (REE). Risk mitigation measures for REEs include reducing or, where possible, eliminating rare-earth elements in products and increasing the proportion of recycled material.

Risk Assessment and Management

Respect for human rights is an integral part of ZF's organizational culture and shared values. Employees and management worldwide are required to comply with the associated policy statement and to ensure that their professional activities are in line with the principles set out there as well as with the principles in the ZF Code of Conduct.

To determine the impact on human rights, ZF pursues a holistic Human Rights Due Diligence (HRDD) approach. It is based on the group-wide Corporate Compliance methodology and thus relies on a risk-based approach considering the group level, production locations and the supply chain. With the HRDD approach, ZF ensures that it recognizes the impact of its business activities on human rights at an early stage through proactive risk management and avoids potential negative impacts. The company has appointed a human rights officer to monitor the adequacy and effectiveness of risk management and to implement risk-based control measures. She acts unbound by instructions and regularly reports directly to the member of the Board of Management in charge of Human Resources, Legal and Compliance.

Human rights risk management is part of our Enterprise Risk Management (ERM) system, which is standardized group wide. As part of this strategy, we regularly update the risk situation to reflect our



activities' effects on human rights. We deal with inherent process risks that affect human rights as part of our internal control system (ICS).

At ZF, we examine human rights and environment-related risks resulting from our business processes on a regular and ad-hoc basis. Triggers for an ad-hoc risk analysis can be changes in our business activities or other reliable indications of potential risks. When preparing the risk analysis, we consider both our own business area and our supply chain. To this end, we use digital risk databases, methods of analysis, business partner information and feedback from selected stakeholders as well as from industry initiatives and multi-stakeholder dialogues to identify risks at the national, commodity group and business-specific levels. We consider findings from measures taken as well as from handling complaint procedures as part of the ongoing review and optimization process of our ICS.

As part of our compliance with additional regulations, particularly focusing on forced labor, we have established a comprehensive process to identify and evaluate indirect suppliers. This process is integrated into our regular (annual) risk analysis and utilizes an AI supported Supply Chain Mapping Tool for thorough risk assessment.

By incorporating these steps into our regular risk analysis, we ensure a proactive approach to managing risks associated with indirect suppliers, thereby enhancing the resilience and integrity of our supply chain.

Since 2020, ZF has been participating in an industry dialogue in the automotive industry that is being conducted by the German Federal Ministry of Labor and Social Affairs (BMAS). The aim is to improve the human rights situation along the global supply and value chains of the automotive industry and to support companies in implementing their duty of care. As part of the industry dialogue ZF is actively taking part in different projects:

- Together with other leading companies in the automotive industry, German and Mexican non-governmental organizations (NGOs) and unions as well as the German Institute for Human Rights and the BMAS, ZF has developed a cross-company complaint mechanism (MRDH) in a two-year process. This is intended to pool resources, serve as an early warning system, and improve access to relief for those affected. The mechanism was launched in 2024.
- We are participating in another project to minimize risks in regard to excessive working hours in Chinese supply chain, together with other companies as well as civil society and trade unions.
- In addition, we are working on a stakeholder project in Turkey, which is dedicated to the risk of "disregard for freedom of association - freedom of association and right to collective bargaining" through direct participation of employee representatives and employees of the respective companies.
- Furthermore, in January 2024, a new guideline for the copper supply chain was published. The aim of the project was to use the example of the copper supply chain to show companies how they can appropriately integrate voluntary sustainability standards into their own due diligence processes and identify complementary measures for their raw material supply chains.

In the reporting period, an annual risk analysis as well as several ad-hoc analyses were carried out based on a substantiated knowledge of possible violations in the indirect supply chain. The risks determined were weighted and prioritized on the basis of various appropriateness criteria. Among other things, the risk of modern slavery in the supply chain was prioritized and responded with various



risk-based measures to prevent and minimize these risks in the supply chain. This includes specific training for our suppliers and the agreement and implementation of risk-based control measures.

Effective action taken in 2024 to address Modern Slavery and Human Trafficking

- The implementation and communication of the updated human rights policy statement started and a web-based mandatory training course on human rights due diligence has been deployed for around 60,000 employees in the company. It also communicates the policy statement.
- The company developed a new training platform for ZF suppliers including a training on Human Rights Due Diligence.
- In connection with the publication of the new Business Partner Code of Conduct, a campaign was launched to ensure that all ZF suppliers (both production and also non-production materials) are familiar with the latest requirements.
- An independent cross-company complaint mechanism (MRDH) was launched in Mexico.
- The company is working on further projects regarding structural human rights violations in Turkey and excessive working hours in China as part of the automotive industry dialog.
- The company strengthened the use of a tier-n risk analysis tool that enables risk in global supply chains to be automatically, legally, and efficiently identified.

Training on Modern Slavery and Human Trafficking

ZF compiled a wide range of internal and external training modules for its employees, which, in addition to general human rights issues, also contain specific contents, such as modern slavery and human trafficking.

On a global level, the “Skills Hub” platform offers around 92,000 employees with PC access the opportunity to learn independently more about megatrends in the industry and put their individual learning goals in the center of their own activities on the platform. In 2024, over 36,000 employees were learning on the platform. The rate of completed course modules is about 90%. In 2024 this range was broadly spread and expanded through internal communication via the ZF-Intranet. In 2024, the platform has been extended to include the topic of sustainability. In addition to several learning elements, it facilitates interactive exchange with experts.

In 2024 several human rights online trainings and face-to-face workshops by our human rights experts were held with different functions and teams, to raise awareness for topics related to human rights including modern slavery and human trafficking. During the reporting period, a web-based mandatory training course on human rights due diligence has been deployed in cooperation with various specialist departments and the works council. The web-based training is mandatory for around 60,000 employees in the company.

Furthermore, we started to gradually develop a new training platform for ZF suppliers in 2024, offering courses on tools, processes and requirements with respect to sustainability in the supply chain. In addition, we are developing the HuR due diligence training for suppliers who do not comply with our social standards. We invite them to various training sessions that address human rights in the supply chain and responsible procurement. The training program for suppliers started in February 2025.



Approval:

This joint statement for the respective Australian entities was approved by the board of ZF Friedrichshafen AG as the parent company of the reporting entities on 23. May 2025.

Friedrichshafen, 2025-23-05

A blue ink signature of Dr. Lea Corzilius, written in a cursive style.

Dr. Lea Corzilius
Chief Human Resources Officer /
Labor Relations Director
of the ZF Group

A blue ink signature of Prof. Dr. Peter Laier, written in a cursive style.

Prof. Dr. Peter Laier
Member of the BoM
of the ZF Group
Production and Materials Management