



Zehnder Group

Human Rights Directive

What is the background of this document?

We, Zehnder Group AG and its direct or indirect subsidiaries (collectively referred to as the “Zehnder Group”, “Zehnder”, the “Company” or “we”), recognize that businesses wherever they operate are likely to have an impact on Human Rights (as defined below) along the value chain. Therefore, we are committed to respecting Human Rights within Zehnder but also all over the world to the extent it is within our possibilities.

The respect for Human Rights is deeply rooted in our organization and expressed in our code of conduct (the [“Code of Conduct”](#)) and our supplier code of conduct (the [“Supplier Code of Conduct”](#)). This document will help us to further identify our salient Human Rights topics, to further specify and actively prioritize our measures in order to comply with Human Rights.

What is the objective of this document?

Our Code of Conduct states, among others, that we respect the applicable Human Right and support the principles of the Universal Declaration of Human Rights or the UN Guiding Principles on Business and Human Rights. The aim of this Human Rights directive (the “Directive”) is to provide additional details and guidance to the principles set forth in our Code of Conduct and how they must be implemented.

Who should know this document?

This Directive applies to our Board of Directors and everyone working at Zehnder Group, regardless of their role, position, or business unit or company, whether fixed or temporary, or as a sales representatives or agent with whom we work and who represent the Zehnder Group and builds an integral part of their employment or services agreements – everyone is expected to comply with this Directive, the applicable (national and international) legislation and all other relevant local customs and best practices.

Zehnder Group expects its customers, suppliers, business partners and other parties directly linked to its operations, products and services to respect Human Rights as specified in this Directive.

Zehnder Group Directives and Guidelines			
Title	Group Human Rights Directive		
Valid from	2024-01-01	Owner	Group Sustainability
Approval Date	2023-12-14	Approved by	GEC
Master file language	EN	Confidentiality	Public
File name	Group Human Rights Directive 2024-01-01		
Replaces	n/a		



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1 Zehnder Values and Policy commitment

Zehnder is committed to respecting Human Rights. This commitment arises from our Zehnder values and principles (the “Values & Principles”). One of our basic principles is “respect“. Only by ensuring that we and our partners respect Human Rights can we fully implement the basic principle of “respect“.

In accordance with the purpose set out in Zehnder’s articles of associations, Zehnder strives to achieve sustainable and long-term value creation in the performance of its activities. Human Rights compliance and the Zehnder Values & Principles are also reflected in our Code of Conduct, our Supplier Code of Conduct and our publicly available whistleblowing guideline (the “Whistleblowing Guideline”). According to the Code of Conduct, every employee must respect the applicable Human Rights, laws, rules, directives and regulations – in all areas, at all times and irrespective of what others might expect or demand.

With this document we reconfirm to respect Human Rights in our entire upstream and downstream value chain as well as in our own operations.

Human Rights as part of sustainability are the responsibility of the Board of Directors within the scope of their duty of care. The topic of sustainability also affects the work of the individual committees of the Board of Directors, such as the related risk assessment in the Audit Committee or the incentivisation in the Nomination and Compensation Committee. In accordance with the organisational regulations of Zehnder, the Board of Directors has the explicit task of reviewing and approving the sustainability strategy and sustainability goals. The Board of Directors as a whole is also responsible for preparing the report on non-financial matters. To further underscore the importance of sustainability, the Chairman of the Board of Directors, together with the Chief Executive Officer (CEO), are responsible for overseeing sustainability topics. The central body for sustainability strategy development and decision making is the Sustainability Steering Committee.

2 International Reference Framework

Zehnder is determined to maintain high standards of business ethics and integrity and we always comply with the applicable laws and our internal policies. This ethical standard of doing what is right, is reflected in our commitment to acting, in all material respects and to the largest extent possible, in accordance with the international reference framework and soft law such as the following regulations (collectively referred to as “Human Rights“):

- Universal Declaration of Human Rights (UDHR)
- United Nations International Covenant on Civil and Political Rights (ICCPR)
- United Nations International Covenant on Economic, Social and Cultural Rights (ICESCR)
- United Nations Women’s Empowerment Principles (WEPs)
- International Labor Organization (ILO) and ILO Core Labor Conventions
- United Nations Guiding Principles on Business and Human Rights (UNGPs)
- Ten Principles of the UN Global Compact (UNGC)
- OECD Guidelines for Multinational Enterprises
- OECD Due Diligence Guidance for Responsible Business Conduct
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- UNICEF’s Children’s Rights and Business Principles (CRBP)
- ISO 45001 Occupational Health and Safety Management (OHS) Standard)
- ISO 14001 Environmental Management.

3 Zehnder's Human Rights Due Diligence Framework

Zehnder supports and respects the international Human Rights framework as mentioned in clause 2 above. Our Human Rights due diligence framework is based on the United Nations Guiding Principles and the six core elements of Human Rights due diligence:

- **Policy Commitment:** The respect for Human Rights is reflected in the purpose of Zehnder set out in the commercial register, our Code of Conduct, our Supplier Code of Conduct and our Whistleblowing Guideline. To protect OHS, we have also enacted a Group Occupational Accidents & Personal Injuries Manual. This Directive represents Zehnder's detailed commitment to support and respect Human Rights and guides the implementation of the Human Rights framework for Zehnder. It is approved by the Group Executive Committee ("GEC").
- **Human Rights risk & impact assessment:** Actual and potential Human Rights impacts will be assessed according to international standards on a regular basis, considering the following aspects to the largest extent possible:
 - o Relevant Human Rights in their entirety
 - o The whole value chain
 - o Potentially affected groups (incl. consultations and engagement with such groups)
 - o Internal & external sources wherever possible and meaningful, in-depth assessments are conducted to gather more information and engage with potentially affected stakeholders on salient Human Rights topics.
- **Risk-based measures:** Based on the Human Rights risks & impacts identified, Zehnder defines and implements measures to cease, prevent or mitigate adverse Human Rights impacts across the value chain. Among the salient topics identified in our risk & impact assessment, we lay our primary efforts upon the most salient topics identified where the ability to have a positive impact is the highest.
- **Embedding:** Human Rights are to be systematically embedded into Zehnder's strategies, policies and processes across all departments, including, but not limited to Group Risk Assessment, Internal Audit and Contracts with suppliers, customers and business partners. In addition to this, we aim to train our employees and direct customers on the salient topics of Human Rights.
- **Track & communicate:** Zehnder tracks and evaluates the performance of the Human Rights due diligence approach including the grievance mechanism regularly, and communicates them in its Sustainability Report, that is also available publicly on its website.
- **Grievance & remedy:** At Zehnder Group we maintain the highest ethical standards and believe in transparency and trust. The Zehnder Group integrity line (the "[Integrity Line](#)") is publicly available for employees and stakeholders and provides them with another mean to report (suspected) violations of the Zehnder Group Code of Conduct, the Supplier Code of Conduct, or applicable laws.

Every concern regarding compliance with our Code of Conduct or Human Rights regulations will be taken seriously, investigated, and responded to appropriately. This will require the facts to be established, so sufficient detail and information are necessary to follow up on the raised concern. Reports can be made anonymously. We are committed to exercise discretion to avoid disclosing the sources of information we receive and try to keep information confidential. Employees and stakeholders who, in good faith, report potential misconduct or who provide information or otherwise assist in an inquiry or investigation of potential misconduct will be protected against retaliatory action, harassment and/or discrimination.

The Zehnder Integrity Line can be accessed via our Intranet, our public websites or via the QR code at the end of this Directive.

When adverse Human Rights impacts are identified due to Zehnder's business activities and relationships, Zehnder is committed to taking timely and transparent action to remediate in a fair and equal manner in line with the United Nations Guiding Principles.

4 Zehnder's Salient Human Rights Topics

We are committed to respecting all Human Rights. To implement this Directive, we have identified the following topics (in alphabetical order), in a thorough risk assessment initially conducted in 2023 to be the most salient to the value chain of our business:

- Child Labour
- Environmental Issues Impacting Human Rights (incl. climate change)
- Freedom of Association & Collective Bargaining
- Living Wage / Income
- Modern Slavery & Forced Labour
- Occupational Health & Safety (OHS)
- Working Conditions (incl. Working Hours)
- Workplace Discrimination & Harassment

Zehnder is aware of the fact, that those topics might change. We therefore regularly reevaluate and prioritize the salient Human Rights topics in our regular and periodic review as part of the double materiality assessment.

5 Implementation

This Directive must be implemented in all Zehnder Group companies by the local business unit head in accordance with guidance provided by Group Sustainability. All our companies must ensure that their employees and managers respect Human Rights. Zehnder also requires their business partners of the entire upstream and downstream value chain to respect Human Rights. We communicate this whenever possible in our contracts, by letting them accept or acknowledge our Supplier Code of Conduct.

6 Breaches or Concerns

If you have witnessed or even suspect behaviour that is not in compliance with this Directive, raise your concerns with the person involved or your line manager, if possible. You can always raise your concerns to the Compliance function (compliance@zehndergroup.com) or in accordance with the Code of Conduct or other applicable internal directives and guidelines, including our Integrity Line.

QR code to the Zehnder Group Integrity Line:

