

Bader Group-Policy

Guideline - Social responsibility, human rights, occupational health and safety policy

Introduction

As an extension to the Bader corporate policy, this guideline is intended to specify current requirements for social responsibility in the company and the supply chain as well as requirements for occupational health and safety. We, the BADER Group, are committed to the ILO agreements listed in the appendix and other internationally recognized requirements from the "Declaration on Fundamental Principles and Rights at Work" of the ILO, as well as the "Guiding Principles on Business and Human Rights" of the United Nations and the "International Bill of Human Rights" of the OHCHR. We implement the requirements stipulated therein and strive for equal rights for all our employees, regardless of nationality, ethnicity, gender or age. Everyone should have the same opportunities to perform to the best of their ability for the company. Furthermore, the BADER Group is committed to analyzing potential negative impacts in the area of human rights in its value chain within a reasonable period of time and to taking systematic and appropriate due diligence measures in connection with human rights.



**We respect
human dignity**

1. Freedom of association and the right to collective bargaining

We respect the rights of assembly, association and collective bargaining

BADER is interested in constructive, cooperative collaboration and regular exchange with employee representatives. Bader respects its employees' right of assembly, the right of association and collective bargaining within the framework of the applicable legal regulations


The company allows, within an orderly structure, to initiate free elections to elect worker representatives to represent occupational health and safety and human rights or to bargain collectively with the organization (collective bargaining). We respect the right of workers to form, join or organize a workers' organization. Reprisals or negative consequences will not be initiated by the organization. Communication between workers' organizations via company notices is permitted. Should the right to freedom of association and collective bargaining be restricted by law due to a country-specific order, the company allows workers to freely elect their own representatives for the above-mentioned purposes. ILO Conventions No. 87 on Freedom of Association and No. 98 on the Right to Organize and Collective Bargaining are guaranteed.

2. Forced or compulsory labor

We reject forced labor, human trafficking and any restrictions on freedom of movement

Any work or service not voluntarily offered by a person and performed under threat of punishment or reprisals or demanded as repayment of a debt (debt bondage) is referred to as forced or compulsory labor. We strictly reject these types of labor or human trafficking, slave-like practices, serfdom, other forms of domination, oppression, sexual exploitation and humiliation (modern slavery). We do not initiate or support these practices, as all employees work for us voluntarily. They have the freedom to terminate the employment relationship at any time by giving reasonable notice. We do not retain any part of employees' property or documents and do not require employees to pay to obtain a guarantee of employment or to pay business fees such as fees for the recruitment process. Employment fees or costs, partial or full, as well as wages or expenses, will not be withheld or may not be borne by employees. Human trafficking and any other form of modern slavery will not be tolerated.

We also demand this from our service providers, (sub)suppliers and employment agencies. The operation or support of human trafficking is strictly rejected and any knowledge of it is reported immediately. We are committed to complying with Convention 29 on Forced or Compulsory Labor and No. 105 on the Abolition of Forced Labor.

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3. Child Labor

We reject child labor unconditionally

Children are our most important possessions. Protecting their health and safety is an important part of this. We demand this from all our service providers, (sub)suppliers, employment agencies and also from our employees. We reject any involvement or support without reservation. Report any anomalies to the complaint reporting office listed below to initiate an investigation. In compliance with ILO regulations and the applicable national labor law, the statutory minimum age for employment is observed without restriction. If no minimum age for work or compulsory education is set by law in a country, any person under the age of 15 is considered a child, unless the minimum age for work or compulsory education is higher under local law. In this case, the higher age set in that place applies. Compliance with ILO Conventions No. 138 on the minimum age for employment and No. 182 on the prohibition of the worst forms of child labor is a matter of course for us. The age of employees and applicants is generally checked. Persons under the age of 18 are minors and therefore in need of protection. They may not perform any work which, due to its nature or the circumstances in which it is performed, would endanger their safety, health or morals, e.g. overtime or night shifts.

3.1. Exceptions – vacation job, education

The employment of minors is only permitted with the legal restrictions. Young workers who are subject to compulsory schooling may only be employed outside school hours (vacation job) and, unless otherwise stipulated by law, the total school, work and travel time may not exceed 10 hours per day, 8 hours of which must be pure working time. Night work and hazardous work are prohibited; the responsible safety expert must be consulted for an assessment of the working conditions.

3.2. Reparations for child laborers

If incidents of child labor are uncovered in which the BADER Group is unknowingly involved, the company will investigate the incident and hold the responsible persons accountable using the legal means available. In the case of internal incidents, appropriate remedial measures are derived in an individual case assessment. In the case of external incidents, companies are obliged to take appropriate measures.



**Side by side
we walk together**

4. Disciplinary measures

Our employees are our most important asset


We treat our employees with decency and respect. The use of corporal punishment, any form of coercion or verbal abuse will not be tolerated. Harsh and inhumane treatment is prohibited.

If disciplinary measures have to be taken, the BADER Group ensures that the accused employees are given a fair hearing. Employees will be informed if disciplinary proceedings are initiated. Corporal punishment, mental or physical coercion or verbal abuse of employees is not permitted.

Disciplinary measures may not result in wage deductions. Exceptions to this rule apply only if both of the following conditions are met:

- a) wage deductions for disciplinary action are authorized by legal requirement of the country; and
- b) a freely negotiated collective bargaining agreement permitting this practice is in force.

Bonus payments and voluntary fringe benefits are not fixed wages/salaries and are therefore exempt. Progressive disciplinary measures may include: Verbal and written warnings / reprimands, termination of employment contracts.

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We provide fair and safe working conditions

5. Working hours and remuneration

We provide appropriate working hours, holidays and remuneration

All employees are entitled to reasonable working hours, rest periods and vacation, which always correspond at least to the legal requirements typical for the country and in some cases exceed them. As far as possible and operational requirements permit, flex time is granted in accordance with the cultural characteristics typical of the country. Sundays and public holidays are only used in exceptional situations. As a rule, normal working weeks do not contain more than 48 working hours. The rest periods stipulated by law in the individual countries must be guaranteed between the individual shifts. BADER ensures that all employees have at least one day off after 6 working days. Any deviations occurring in exceptional cases will be compensated for at short notice.

The wage level at the individual locations is based on the respective regional average, not on lower limits. Statutory industry minimum standards or, where applicable, collective agreements are complied with or exceeded, where defined. Depending on local conditions, we remunerate additional and atypical working hours. Wages should not only cover basic needs, but should also be freely available to employees to a certain extent. These are to be paid in a comprehensible manner and at a specific time in accordance with ILO 95.

Questions about remuneration, such as its calculation, payment problems or bonuses, incentive systems and benefits, will be answered at any time by the responsible HR departments or if available the works councils of the individual plants and are regulated in the employment contract. The applicable national laws must be observed when contesting wage payments. Wages must be paid in full for services rendered and may not be unlawfully withheld.

5.1. Overtime - extra hours

All overtime is voluntary. General orders for short-term overtime must be agreed in writing with employee representatives, if these are available in the plant. For an order for overtime, the country-specific legal requirements or collective agreements must be taken into account and may not exceed 12 hours. Overtime should be reimbursed at an appropriate premium rate, as stipulated in state law or collective agreements or taken as time off.

6. Securing employment and equal opportunities

We are committed to safeguarding jobs and offering equal opportunity

We deploy our employees according to operational requirements, general conditions and personal aptitude. We promote equal opportunities and family-friendly conditions. "Hire and fire" is undesirable. As part of a targeted talent management system, we encourage and promote internal and external training and development for employees at all plants. Due to our global positioning, employees have the opportunity to be deployed internationally.

7. Discrimination

We unconditionally reject discrimination and harassment

The diversity of our employees is our fundamental strength. We take a clear stance against discrimination of any kind, pursue and punish it in hiring, compensation, access to training, promotion, termination or retirement, and do not cover up or support it. We prohibit discriminatory statements or actions between employees during employment - whether based on cultural, ethnic, religious, territorial or social origin, nationality, caste, birth, disability, gender, sexual orientation, family responsibilities, marital status, pregnancy, union membership, political views, age or other situations - using all available internal and legal means and expressly prohibit any behavior or actions that are threatening, abusive, exploitative or sexually coercive in the workplace, including gestures and language. Religious requirements can be coordinated with the responsible superiors, a suitable place for prayers is to be organized by the plants. We protect the rights of minorities, women and indigenous peoples.

In accordance with national laws and ILO Conventions No. 100 on Equal Remuneration and No. 111 on Discrimination in Employment and Occupation, all Bader plants define a person responsible for analyzing incidents and taking action against discrimination. Specific incidents of discrimination must be stopped immediately and those affected must be protected.

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8. Occupational health and safety

We ensure health protection, occupational safety, fire protection and emergency precautions

We see occupational health and safety as a management task. We are committed to providing appropriate, safe and healthy working conditions, providing tested personal protective equipment and designing workplaces ergonomically to prevent work-related injuries and illnesses. We use risk assessments to eliminate hazards and minimize safety and health risks and derive protective measures from them. All employees may interrupt dangerous work at any time to protect themselves if their life, health or well-being is affected without fear of consequences.

With our accident and incident management, we avoid accidents and malfunctions of all kinds and solve any problems identified in a sustainable manner. In addition, machine safety at the workplaces is assessed at an early stage and on an ongoing basis and, if necessary, special safety measures are derived in accordance with legal requirements. We do not assign our employees to work that could endanger their health, safety or morale. We promote the health and safety awareness of our employees through communication, information and training in accordance with their tasks and duties. In addition to statutory preventive medical check-ups, our preventive health care also includes other programs, such as health days and, where appropriate, financial support for preventive measures. Fire protection and emergency preparedness are extremely important to us and a matter of course. Together with local authorities and service providers, we conduct continuous evacuation drills to ensure that all processes function in accordance with legal requirements in the event of an emergency.

We refuse to commission or use private or public security forces to protect the business project if the use of security forces may lead to human rights violations due to a lack of training or control on the part of the company.



We ensure requirements are met

9. Requirements from social aspects


We bear social responsibility and ensure requirements for social coexistence

Social values are important to us, which is why we comply with the requirements of the RSCI-Responsible Supply Chain Initiative e.V.. Accordingly, the BADER Group undertakes to implement risk analyses in the area of human rights in its supply chain in accordance with the respective requirements and to initiate appropriate and suitable measures where necessary.

10. Complaint reporting



What employees can do if necessary




















Employees who identify legal violations, incidents or breaches of these principles and codes of conduct, as well as risks and vulnerabilities that could lead to violations, should report these to the complaint reporting system on the bader-leather.com website, their line manager, HR department or employee representatives. It is also possible to report anonymously via the complaint reporting system. It also ensures that employees receive feedback within a defined time frame. Any information provided is recorded in several languages by our impartial external service provider HUBIT, evaluated and forwarded to the responsible departments in the company for further processing, which initiate investigations and develop solutions. Reports to superiors on working conditions, accident hazards or human rights may be made at any time without fear of reprisals from superiors. Disadvantages such as punishments or even dismissal of employees if reports are made are not tolerated and are prohibited. In the event of serious violations of human rights and external requirements of interested parties, the internal complaint reporting system will contact other responsible external offices if necessary. External interested parties can also contact the BADER Group via the aforementioned homepage and will also be taken into consideration.

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Annex:

ILO guidelines and international conventions or requirements

	Recognized
	Not Recognized

	ILO- Convention 1 (working hours - industry) and Recommendation 116 (reduction in working hours)
	ILO- Convention 29 (Forced and compulsory labor)
	ILO- Convention 30 (Working hours in retail and offices)
	ILO- Convention 87 (freedom of association)
	ILO- Convention 95 (Convention on the Protection of Wages)
	ILO- Convention 98 (right to organize and collective bargaining)
	ILO- Convention 100 (Equality of remuneration)
	ILO- Convention 102 (Social security - minimum standards)
	ILO- Convention 105 (Abolition of forced labor)
	ILO- Convention 111 (Discrimination - Employment and occupation)
	ILO- Convention 131 (Determination of minimum wage)
	ILO- Convention 135 (employee representative)
	ILO- Convention 138 and recommendation 146 (minimum age)
	ILO- Convention 155 and Recommendation 164 (Occupational health and safety)
	ILO- Convention 159 (Vocational rehabilitation and employment of the disabled)
	ILO- Convention 169 (Indigenous and tribal peoples)
	ILO- Convention 177 (working from home)
	ILO- Convention 181 (Private employment agencies)
	ILO- Convention 182 (Worst forms of child labor)
	ILO- Convention 183 (maternity protection)
	ILO guidelines on HIV/AIDS in the world of work
	Universal Declaration of Human Rights
	The International Covenant on Economic, Social and Cultural Rights
	The International Covenant on Civil and Political Rights
	The United Nations Convention on the Rights of the Child
	The United Nations Convention on the Elimination of All Forms of Discrimination against Women
	The United Nations Convention on the Elimination of All Forms of Racial Discrimination
	The United Nations Guiding Principle on Business and Human Rights
	Declaration on Fundamental Principles and Rights at Work
	Guiding Principles on Business and Human Rights
	International Bill of Human Rights
	RSCI Requirements and Annex II RSCI Recruitment fee policy

The agreements and guidelines are available to interested parties via Infonet #100 under external documents.

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