



CRAFTED FROM NATURE. MADE TO LAST.

Sustainability Report 2023

BADER

Sustainability Report 2023

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Statement of our Management

As a leading manufacturer of premium leather for the automotive industry, we are committed to a global presence, to responding flexibly to market fluctuations and to pursuing visionary and sustainable innovations for our leather products.



In 2023, BADER continued its journey towards excellence in sustainability, receiving affirmation from our customers and suppliers for our highly appreciated, respected, and challenging efforts.

During the year, BADER China proudly received the National Green Factory Award, recognizing our achievements in energy conservation, emissions reduction, and environmental protection. Additionally, our colleagues at the new Nantong plant in China successfully underwent audits for ISO 45001 and ISO 14001 certifications. Notably, we expanded our photovoltaic system in China, further solidifying our commitment to increasing the percentage of renewable energy we use.

Since committing to the Science Based Targets initiative in 2021, we have worked hard to define our emissions reduction targets in line with climate science and to support the Paris Agreement. We are currently awaiting validation from the Science Based Targets initiative for these targets.

BADER Uruguay achieved success by passing the ISO 45001 audit and earning the gold rating in the LWG audit. This LWG certification reflects our commitment to sustainable leather production practices and highlights our dedication to environmental responsibility. Since November, our group welcomed another LWG gold-rated plant: BADER SPLIT in Mexico.

In a remarkable milestone, BADER Bulgaria was honored with the Employer Award for the Ruse region, underscoring our positive impact in the local community. BADER earned the distinguished award of Global Performance Champion, conferred by our partner VOLKSWAGEN, emphasizing our dedication to sustainability, decarbonization, adherence to social standards, and responsible procurement of raw materials.

Our commitment to the circular economy is reinforced by the successful launch of CALOR, a blow-in insulation product crafted from high-quality automotive leather cutting waste, highlighting our advancement in upcycling materials.

Lastly, we are proud to announce our participation in the SDG Scouts® program, which focuses on advancing the United Nations Sustainable Development Goals (SDGs), demonstrating our commitment to nurturing sustainability awareness among our young professionals. Our initial session in April was met with enthusiastic engagement, reflecting our dedication to fostering a culture of sustainability.

As a signatory to the United Nations Global Compact, we continue to support its human rights, labor, environment, and anti-corruption principles as well as the Sustainable Development Goals. In the journey ahead, our steadfast commitment to sustainability will drive us to continuously improve and implement practices that are both environmentally and socially conscious.

Enjoy reading!

Yours sincerely,



Thomas Bader Lothar Bauhofer Bent Dreilich



Jürgen Erb Marcus Röhling

Our Mission is based on a passion for sustainability and a profound appreciation for the value of leather and craftsmanship. We are driven by a passion to protect our environment, utilizing ethically sourced materials and eco-friendly practices through our supply chain.

We aim to inspire conscious consumerism where durability and quality triumph over short lasting materials and to empower individuals to be part of a sustainable movement. BADER stands for unwavering commitment in excellent craftsmanship and relentless pursuit of sustainability in the automotive Industry.

MISSION

Crafted from Nature

VISION

Made to Last

Our Vision is to be a guiding light in the realm of sustainability and craftsmanship, illuminating a path towards a better, more conscious world. We aspire to be the leading force in redefining the way leather is valued and implemented by showcasing its sustainable and circular qualities and encouraging mindful consumption.

Together we strive to create a movement showcasing the exceptional value of leather, as a natural residual material, treasured for generations to come.



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Highlights 2023

January

Launch of our blow-in insulation CALOR, made from stabilized leather



March

National Green Factory Award for BADER China

Sustainable Business Award for BADER Bulgaria



April July

LWG Gold Uruguay

Participation in the SDG-Scouts®





September

Establishment of our internal CO₂ reduction targets (Scope 1, 2 & 3)

ISO 45001 certification for BADER Uruguay

ISO 45001
BADER Uruguay



November

Expansion of the photovoltaic system in China

LWG Gold BADER Split in Mexico



December

Employer of 2023 Award for Ruse region for BADER Bulgaria

ISO 45001 certification for BADER China (Nantong)

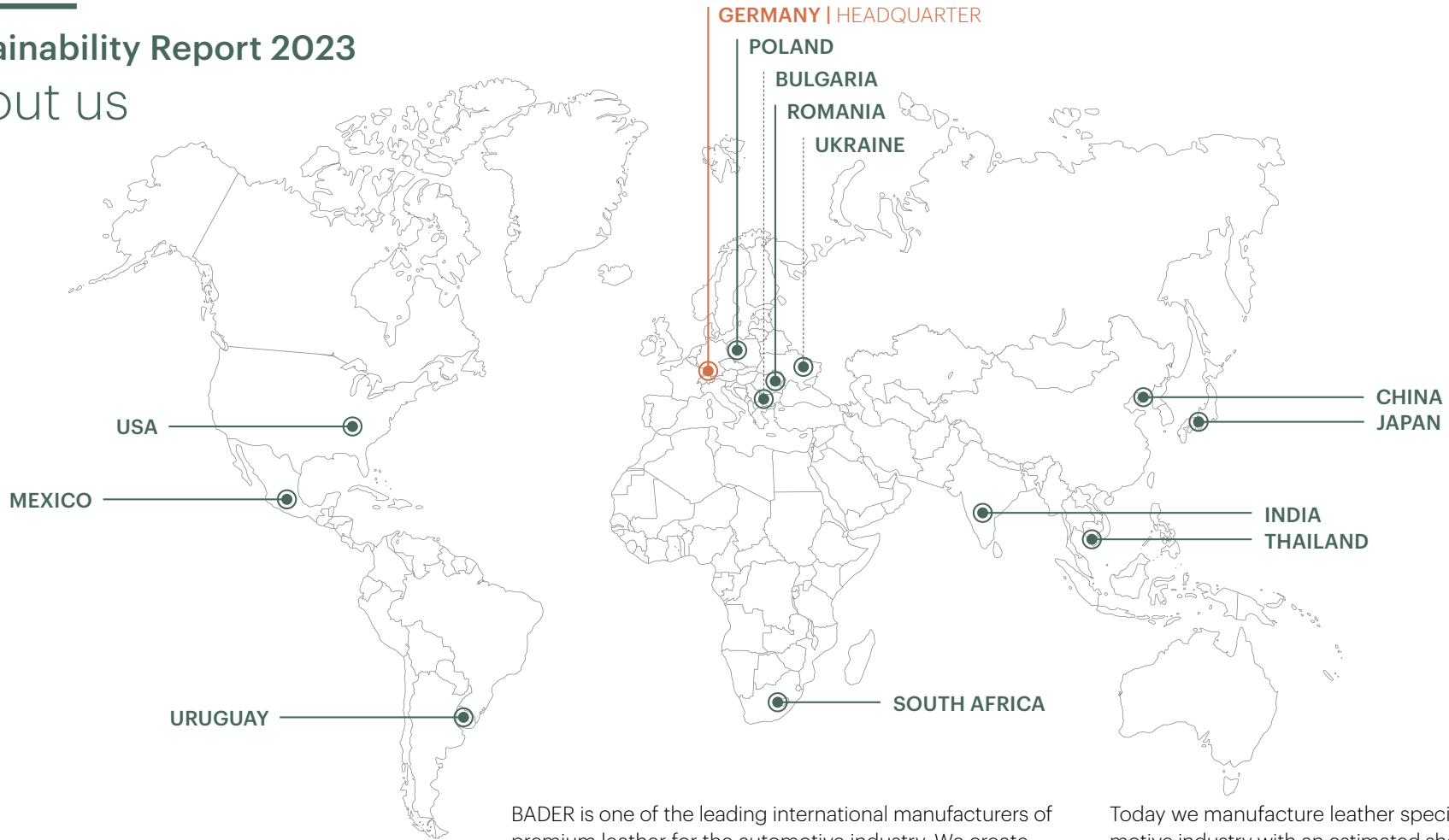
ISO 14001 certification for BADER China (Nantong)

ISO 45001
ISO 14001
BADER China
(Nantong)



Sustainability Report 2023

About us



BADER is one of the leading international manufacturers of premium leather for the automotive industry. We create automotive solutions for every area of application and every type of vehicle – from leather finishing and customized cutting to finished upholstery. BADER's exclusive leathers shape mobile living spaces – as seat covers, armrests, steering wheels, door trims, instrument panels, gearshift knobs or boots.

Today we manufacture leather specifically for the automotive industry with an estimated share of the global market of 20–25%. BADER supplies all major automotive markets from local production sites in eleven countries and through an international supplier and logistics network. Worldwide, we produced 16,800 leather hides as well as 25,600 trim covers every day in 2023.



Sustainability Report 2023

About this Report

The material Sustainable Development Goals (SDGs) for BADER



BADER is a signatory to the **► United Nations Global Compact (UN Global Compact 2024)** and is committed to upholding its Ten Principles concerning human rights, labor standards, environment and anti-corruption practices as well as the 17 Sustainable Development Goals (SDGs) of the **► 2030 Agenda for Sustainable Development (UN 2018)**. The Global Compact Principles act as a “compass” to help point the way and the SDGs as a “lighthouse” for orientation.

To meet the challenges of sustainable development, companies are asked to contribute their creativity and innovation and to act in a responsible and targeted manner within their own sphere of influence. To this end, we are embedding the Global Compact Principles and the SDGs into our strategy, policies and procedures, culture and ultimately our day-to-day business.

To determine the specific topics that we can really get behind, BADER has assessed the 17 SDGs for relevance and influence. In so doing, we have taken into account the societal and environmental effects of production processes and end-products as well as our ability to influence change. The 12 goals over which we have particular influence are highlighted in the figure above. They are listed numerically and do not correspond to any evaluative ranking. Our sustainability report provides more details on the SDGs that we consider essential. This is our seventh annual report since 2017 covering the reporting period for the 2023 calendar year (January 1 to December 31).

This sustainability report links BADER's activities to the Global Compact Principles and SDGs and assesses our contribution in the relevant areas. We have structured the report using the ► **3P concept (Elkington 1994)**, which describes the three dimensions of sustainability: product (economy), planet (environment) and people (society). We have added partnering (cooperation) to these three dimensions as it is only by working together with our customers, suppliers and other interest groups that we can achieve the SDGs holistically across the entire value chain. Sustainable management forms the basis of our commitment in these four areas. The structure underlying the sustainability report and how it links with the SDGs is shown in the figure below. The goals and the Global Compact Principles that are addressed by our sustainability activities are also indicated on the title page of each chapter.

Structure of the sustainability report and link to the UN goals

Product

Economic Responsibility

Sustainable Product / Research and Development

People

Social Responsibility

Social Engagement / Occupational Health and Safety / Employee Structure and Development

Sustainable Management

Sustainable Strategy / Policies and Compliance / Certifications

Planet

Environmental Responsibility

Resources / Chemicals / Water and Wastewater / Energy / Emissions

Partnering

Shared Responsibility

Sustainable Supply Chain / Animal Welfare and Traceability



Sustainable Management

Sustainable management integrates social and environmental concerns into business operations. BADER has embedded sustainable management into its strategy, goals, policies and code of conduct and has put in place structures and management systems to enable continuous assessment and improvement. The activities described in this chapter address the Global Compact Principle shown below.

Principle 10: Work against corruption

- ▶ **Sustainability Strategy**
- ▶ **Policies and Compliance**
- ▶ **Certifications**



Sustainable Management

Sustainability Strategy

Sustainable management serves to secure the long-term survival of our company and requires company commitment at all levels. In 2010, we formed our **Competence Center Sustainability (CCS)**, comprising a dedicated inter-departmental and cross-plant team. Since then, it has been responsible for initiating and implementing our sustainability strategies and goals under the leadership of the executive board.

Our CCS team

<p>Board of Management</p> <ul style="list-style-type: none"> • Executive board • Site managers 	<p>Business units</p> <ul style="list-style-type: none"> • Human resources • Purchasing • Integrated management
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Our **business strategy** is based on a holistic assessment of economic, ecological, and social risks and opportunities. In this context, our strategy has four drivers: We aim to preserve and expand our traditional company in the long term. We therefore plan and invest across all sites and divisions in a sustainable as well as an environmentally and socially responsible manner.

We are committed to maintaining human rights, fair working conditions, and a culture of diversity, mutual respect, and equal opportunities. To promote lifelong learning, we invest in education and continuous professional development throughout an employee's professional career. In order to ensure the best possible health and safety conditions at work, ISO 45001 has been part of our integrated management system since 2020 and will be rolled out to more sites in 2024. Since 2022, the required regular internal ISO 45001 system audits have included social audit requirements. The BADER internal audit questionnaire has been expanded to include requirements from the international standard on social accountability SA8000:2014.

We invest significant resources into researching and developing sustainable products, processes and technologies. These are assessed on a holistic and life cycle basis and further minimize resource consumption and emissions.

In 2021, BADER committed to setting science-based emissions reduction targets within the next 24 months through the ► **Science Based Targets initiative (Science Based**

Targets initiative 2024). We support this commitment with the environmental and sustainable certifications ISO 14001, ISO 50001, ECO₂L, and LWG.

Cooperation with our customers and suppliers is another important component of our strategy. In addition to ensuring product integrity, we pursue important goals such as testing suitable methods for traceability back to the animal owner, LWG certification of our raw and semi-finished product suppliers, and the definition of minimum animal welfare standards.

BADERs strategy drivers

<p>We act in a long-term and forward-thinking manner</p>	<p>We set standards for health and well-being</p>
<p>We research and develop sustainably and holistically</p>	<p>We address goals together with customers and suppliers</p>



Sustainable Management

Policies and Compliance

BADER is committed to legal compliance and fair business practice and works continuously on strategies to minimize risk. Our ► **BADER Group Policy (BADER 2024a)** lays out our fundamental values and principles of conduct which significantly exceed the minimum legal requirements. It reflects our commitment to human rights protection, fair labor practices, protecting the environment and anti-corruption practices. Furthermore, our ► **Code of Conduct (BADER 2024c)** for all contract and business partners lays down basic principles of conduct for day-to-day practice and business policy.

These rules are to be understood as the framework within which we as a company operate in society. They can only be implemented through the commitment of all employees and business partners. We have made our Group Policy available to all BADER employees through the internet and our intranet and information boards. In addition, awareness is strengthened in regular training sessions. BADER's Code of Conduct has also been published on the internet. The documents are available in the specific language of our employees and business partners.

We pursue a zero-tolerance policy and do not tolerate violations of the law or our values and principles of conduct. If there is any suspicion of possible violations, or if actual violations are identified, internal and external stakeholders can contact us confidentially and anonymously if they wish to. We investigate the concerns raised, take appropriate action and provide feedback.

Implementation and monitoring of compliance are embedded in our integrated management system. Compliance itself is ensured through management reviews, regular employee training and supplier meetings and audits. We regularly review and revise requirements and clearly define responsibilities in specifications and instructions. Management at each plant monitors compliance with the relevant national and local laws and regulations with respect to all company operations and on all operational levels.

For example, we ensure the enforcement of the EU General Data Protection Regulation concerning the collection, handling and processing of personal data and train all BADER employees who are involved in digital data exchange annually. To guarantee information security, participation in TISAX enables us to independently confirm compliance with objective standards when storing and exchanging sensitive information and data.

There were and are no legal proceedings pending against BADER, including corruption issues. No incidents of forced or child labor have ever been reported at BADER. No penalties have been imposed, nor are any threatened or expected.



Sustainable Management Certifications

At least once a year, BADER uses a range of management reports and internal audits to review aspects of sustainable management to produce measures and goals for continuous improvement. On the operational level, we support our company’s sustainable development through consistent implementation of our integrated management system. It is based on a range of international standards, which we use to ► **certify our sites (BADER 2024b)** and have them regularly reviewed through external audits.

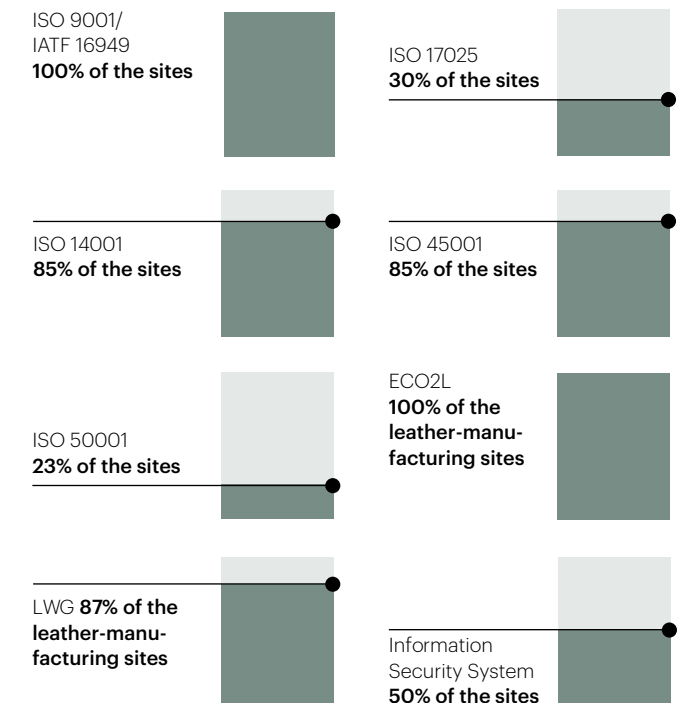
All BADER sites have a quality management certification in accordance with ISO 9001 and/or the specific automotive quality management system IATF 16949. Three sites with testing and calibration laboratories are certified according to ISO 17025. All leather-manufacturing sites have the ISO 14001 certification for environmental management. Three sites have an energy management system certified to ISO 50001. The ISO 45001 standard for occupational health and safety management has been introduced at eleven sites already. We are gradually rolling out this certification to our other sites worldwide. In 2023, BADER Thailand achieved a platinum medal in the social audit ► **RBA (Responsible Business Alliance) (RBA 2024)**. This medal complements the silver medal earned in Mexico in 2022. We plan to undertake more social audits in other locations. Until 2023, we have conducted internal social audits at 69% of our sites, with ongoing audits planned.

In 2022, BADER Germany obtained the ► **ICEC Certification (ICEC Certification 2024)** which covers the traceability of raw materials. (► **Chapter Partnering**). About 50% of our sites have a certified Information Security Management System. We aim to achieve certification for all sites by the end of 2024. By the end of 2021, all leather-manufacturing sites had obtained the ► **Energy Controlled Leather (ECO₂L) Certification (VDL 2023)**. This first international benchmark for tanneries on energy and carbon dioxide (CO₂) builds on the experience and energy analyses of approximately 20 leading tanneries worldwide. At the same time, seven of our eight leather-manufacturing sites were audited according to the globally valid ► **Leather Working Group (LWG) audit protocol (LWG 2024)** which sets requirements for the assessment of the environmental performance of tanneries (► **Chapter Planet**).

Since 2015, BADER has regularly completed customer sustainability questionnaires from the established providers Ecovadis, NQC and CDP with constantly increasing requirements. In 2023, with Ecovadis, we attained a silver Corporate Social Responsibility (CSR) rating, positioning us among the top 10% of the evaluated suppliers. With NQC, our reportable sites achieved between 82% and 95% of the total score with a mean value of 88%. In 2023, our performance on the CDP Climate Change questionnaire improved by two levels. As part of their regular supplier management, our customers have commissioned additional audits at some of our sites, relating to sustainability issues such as human rights and environmental considerations.

New certifications achieved in 2023:

- LWG Gold for BADER Uruguay
- LWG Gold for BADER Split in León, Mexico
- ISO 45001 certification for BADER Uruguay and BADER China (Nantong)
- ISO 14001 certification for BADER China (Nantong)



Product – Economic Development

Companies can effectively support the Sustainable Development Goals by also taking social and environmental concerns into consideration parallel to their economic development. As a family-owned company already in the fourth and fifth generation we plan for the long term, investing heavily in research and development of sustainable products, processes and technologies, and are committed to legal and fair competitive behavior at our sites. The activities described in this chapter address the Global Compact Principle and SDGs shown below.

Principle 9: Develop and diffuse environmentally friendly technologies

- ▶ **In Focus: Upcycled Leather Fibers - CALOR**
- ▶ **Sustainable Product**
- ▶ **Research and Development**



B



In Focus:

Upcycled Leather Fibers: CALOR

At BADER, sustainability and improving life cycles drive us forward. We breathe new life into residual materials and by-products, crafting innovative sustainable products like CALOR. This commitment to responsible resource management shapes our path towards a brighter, greener future.

Our CALOR blown-in insulation is specially designed for easy processing in acoustic applications. It consists of a special helical leather fiber that can be processed homogeneously, allowing a combination of acoustic and thermal insulation. Thanks to its natural properties, our fiber is self-extinguishing without the need for chemical additives and does not continue to burn without external energy.

We focus on applying our product where sound and noise occur. As long as our fibers can be blown in, both acoustic

and thermal insulation can be improved. Imagine this potential in interiors: as walls, filled cushions, or panels, they effectively reduce disturbing sound sources. Blown-in insulation CALOR is suitable for a variety of applications in both old and new buildings. Our product, ideal for various applications, includes floor insulation in multi-family dwellings with wooden beam ceilings (for sound, impact, and structure-borne sound reduction), partition walls with filled cladding, roofs in flight paths, busy roads, and industrial areas (for noise protection, aircraft noise, and road traffic noise reduction), and noise-sensitive rooms like recording studios or laboratories. In addition to entire buildings, our insulation fibers also perform well in machinery, vehicles, industrial equipment, and cabins.

Our goal is to continuously expand our product range, ensuring sustainability remains at the core of our operations while delivering exceptional quality and performance.



Product – Economic Development

Sustainable Product

Leather is one of the oldest and most versatile materials known to mankind. At BADER, we have been working with this sophisticated natural material for over 150 years. We are convinced that properly made and sourced leather is a truly sustainable choice.

There are a number of properties that make leather such a unique material. It is highly versatile, non-flammable, flexible, easy to clean and at the same time luxurious and naturally beautiful. It is also extremely durable which is why it almost never needs to be replaced. This longevity is an important factor in leather's sustainability. What is more, if a leather product comes to the very end of its life, it is both biodegradable and compostable – in contrast to alternative materials.

As raw hides are natural **► by-products of milk and meat production (UNIDO 2017)**, the demand for leather has no impact on the number of animals slaughtered. So, upcycling these hides into leather is not only an appropriate use of an available, renewable resource, it can also substitute products made from non-renewable raw materials such as petroleum-based plastic sheets and textiles.

In addition to this, leather production results in many different by-products (► **Chapter Planet**). We are constantly developing new ideas to make sensible use of by-products from leather production, as is the case with ► **AVEMA (AVEMA 2024)**. Our passion for leather also means that we deal with this material responsibly. We are therefore constantly looking for new ways to use our existing products and residual materials in the widest possible range of high-quality applications.

Leather's versatility and its many natural qualities make it a remarkable material with immense potential for a sustainable future.

Renewable material with many different properties

Natural by-product of the meat industry

Compostable and biodegradable at end of life

High quality by-products of leather production

The special features of leather



Product – Economic Development

Research and Development

BADER invests heavily in research and development (R&D) of sustainable products, processes and technologies. In 2023, nearly 50% of our R&D projects were driven by ecological and/or social aspects in addition to technical and economic aspects. We work closely with our customers, suppliers and other stakeholders to consider their needs in addition to our sustainability considerations. That enables us to develop holistic solutions over the entire life cycle of our leather products. After successful testing, we are gradually implementing them at our sites worldwide.

Ideas from our employees also help us to innovate and become better at what we do. Through our globally established **company suggestion scheme**, employees contribute a wide range of suggestions that go beyond financial, technical and qualitative improvements. In 2023, sustainable suggestions included measures for resource conservation, e.g. reducing thermal energy consumption, utilizing alternative materials to minimize waste and the use of chemicals in production.

Sustainable R&D projects in 2023

Finishing

- B-Green leather developments

Production to crust

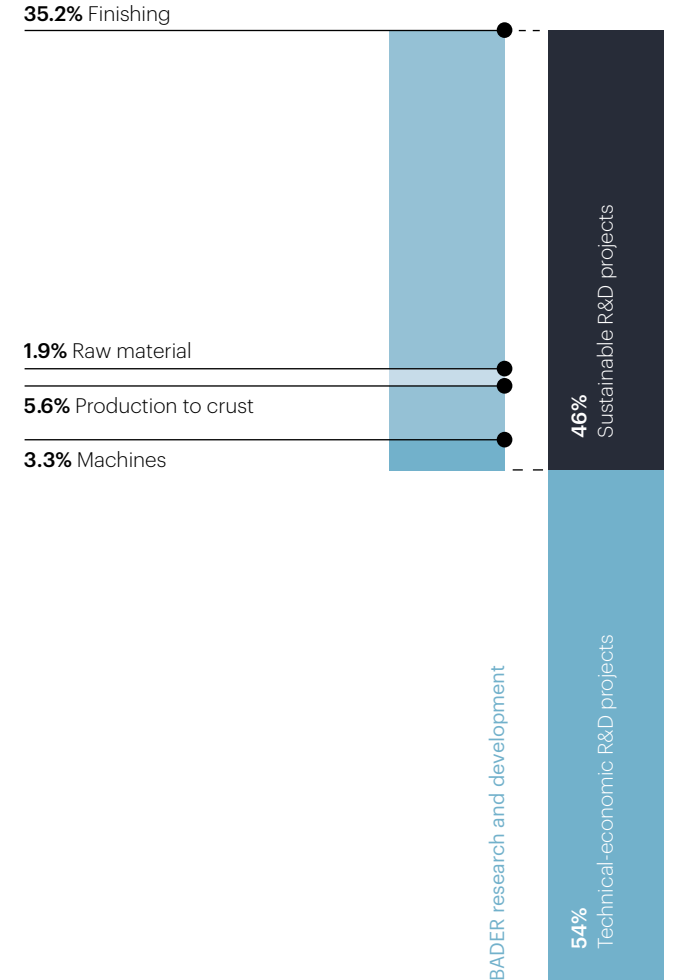
- Trials of alternative tanning procedures
- B-Green leather developments

Machines and process development

- Project to reduce chemicals in the finishing process
- Project to reduce energy consumption and loss of surface area through improved drying technologies

Raw material

- Projects on the preparation of split by-products for upgrading in a wide variety of areas
- Projects on full traceability and deforestation risks of raw material
- Projects for the assurance of animal protection and animal welfare



Planet – Environmental Responsibility

The economy and society cannot exist without functioning ecosystems and natural resources. This is why it is more important than ever that we preserve and conserve them for the present and future generations. BADER is aware of this environmental responsibility and is committed to a holistic resource management at all levels of the company and at all sites. We proactively assess the impact of our production processes and products on the environment and include them in our investment and every day decisions, in order to avoid or minimize environmental impacts. The activities described in this chapter address the Global Compact Principles and SDGs shown below.

Principle 7: Support a precautionary approach to environmental challenges

Principle 8: Undertake initiatives to promote greater environmental responsibility

Principle 9: Develop and diffuse environmentally friendly technologies

► In Focus: SBTi – A Journey Towards Emission Reduction

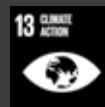
► Resources

► Chemicals

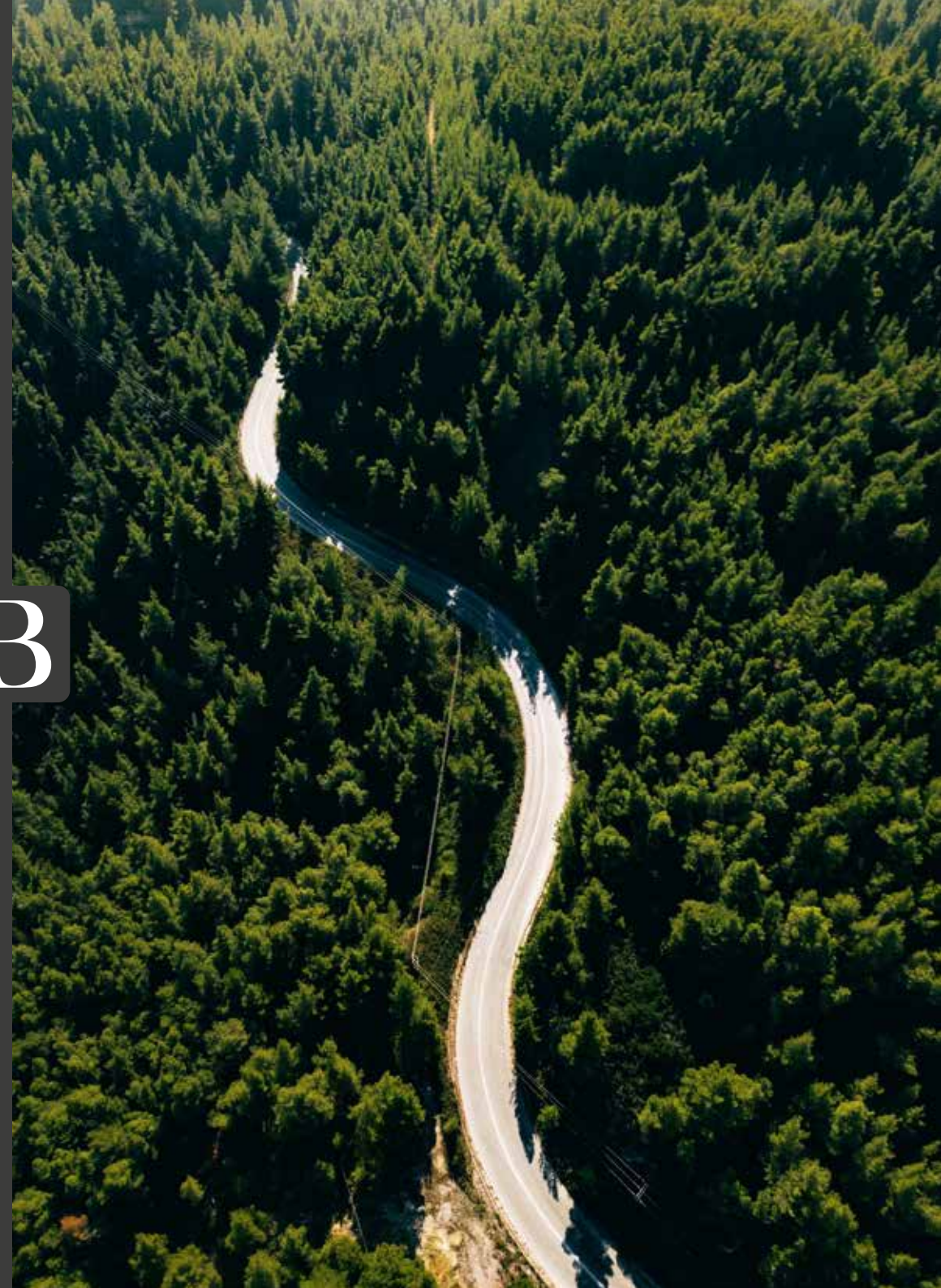
► Water and Wastewater

► Energy

► Emissions



B



In Focus:

SBTi – A Journey Towards Emission Reduction

At a time when environmental awareness is paramount, BADER is at the forefront of sustainability initiatives. We have set a resolute goal: a 50% reduction in absolute CO₂e emissions from both Scope 1 and Scope 2 sources by 2030, compared to 2019 levels. Scope 1 emissions encompass direct greenhouse gas emissions from sources directly controlled or owned by BADER. For example, the combustion of fossil fuels in our manufacturing processes or the gasoline used in BADER-owned vehicles are examples of our Scope 1 emissions.

On the other hand, Scope 2 includes indirect emissions arising from purchased electricity, heating, or cooling. For example, the electricity used to power our leather production facilities contributes to Scope 2 emissions. Aligned with our engagement, BADER committed to the ► **SBTi (Science Based Targets initiative 2024)**. To achieve these goals, we are taking a multi-pronged

approach. By using the latest heating technologies and optimizing process times, we aim to minimize energy consumption. In addition, our focus on reducing machine idle time optimizes resource utilization.

Expanding our reliance on renewable energy remains critical. Our strategy to reduce our Scope 2 emissions is to reinforce the existing photovoltaic (PV) systems in China, South Africa, Bulgaria, Ukraine, and Mexico, while planning the installation of new PV systems at our other facilities. In addition, we aim to purchase electricity from renewable sources wherever available.

BADER's target to reducing emissions reflects our responsibility to the environment and to future generations. Our unwavering commitment signifies our determination to create a more sustainable, eco-conscious future for the leather industry and solidifies our pledge to environmental stewardship.



Planet – Environmental Responsibility

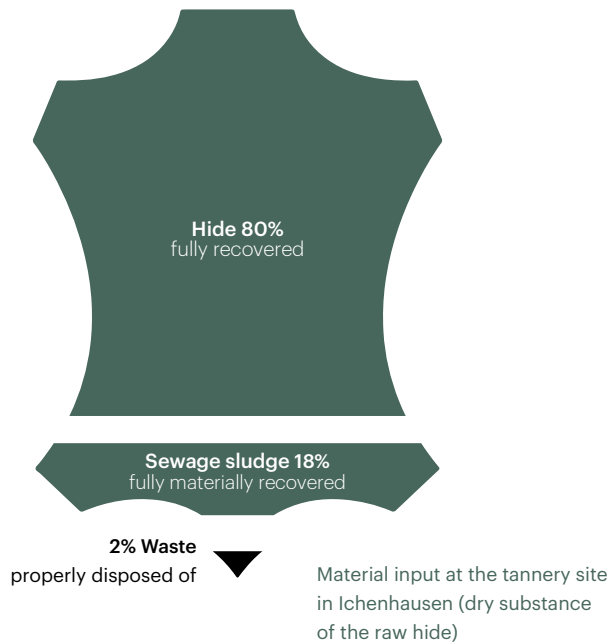
Resources

BADER is continuously optimizing its product development and production processes to ensure environmentally progressive use of resources and the reduction of subsequent emissions into water, soil and air. Innovative technologies are used to reduce, reuse, recycle and treat waste and dispose of residual materials with minimum environmental impact.

At our tannery site in Ichenhausen, we use 7-8 kg of raw material per m² leather (finished and split leather) to produce a range of products and by-products such as **► dog chews (Frankly Pet 2024)**. More than 80% of the material input (dry substance of the raw hide) is converted into finished leather, energy and other products. We use hide sections/lime trimmings, necks and flanks for collagen or gelatin for the food industry. Shavings can be processed into leather fiber, compound material, collagen and fertilizer. The sewage sludge represents a mass percentage of 15 - 18%. Chromium-free sewage sludge can be materially recycled in agriculture, and sewage sludge containing Chromium is typically used as a building material in landfill site renovation in Germany. The non-usable waste from the dry substance of the hide material amounts to less than 2%.

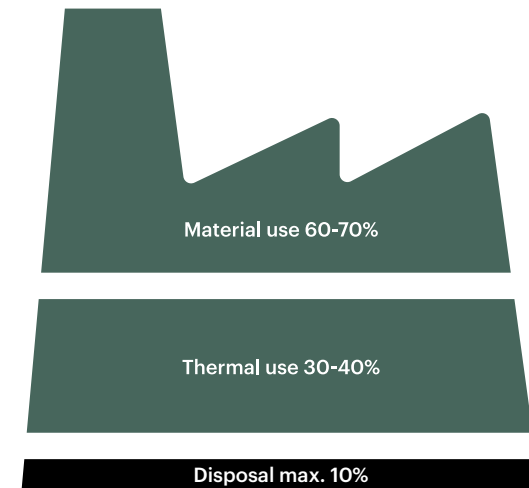
As far as the total amount of waste at the Ichenhausen site is concerned, these material recovery paths account for 60-70% of the total recovery and disposal balance. Thermal recycling constitutes a further 30-40%, particularly from lime fleshings for biogas and technical gelatin. A maximum of 10% of solid materials such as coatings and paint

sludge, materials contaminated with oil or used chemicals, cannot be recycled. These are disposed of in accordance with technical requirements at all our plants. Despite a long-term recovery rate of more than 98% in most cases, we continue to search for ways of improving resource efficiency and to secure existing recovery paths.



Activities in 2023

- Further trials using boiler ash in brick manufacturing as a viable recycling option in South Africa
- The use of sludge as fertilizer for soil improvement in Uruguay and South Africa
- Research on the recyclability of leather at the end of its useful life, e.g. seat covers



Recovery and disposal balance at the tannery site in Ichenhausen

Planet – Environmental Responsibility

Chemicals

Chemical management, handling and safety are key areas in our product and process development. We meet legal requirements such as REACH (EU) and customer requirements such as the Global Automotive Declarable Substance List (GADSL). We make further demands on our suppliers through our BADER Black List and security agreements. (► **Chapter Partnering**)

Our integrated management system defines worldwide procedures and work instructions for the labeling, storage, handling and transport of chemicals and specific hazardous materials. We check and document compliance with the relevant regulations worldwide through regularly updated legal registers. To minimize risks to health and the environment and to be able to make immediate amendments, we continuously monitor our chemicals. For new and test chemicals, we have a global SAP-based, four-stage approval process with regard to food suitability, customer requirements, occupational safety and effects on wastewater treatment.

We have been able to significantly optimize the use and safety of chemicals over the past 30 years through various ► **process conversions (BADER 2015a)**. At our tannery site in Ichenhausen, for example, we are recovering all trivalent Chromium tanning agents contained in the tanning wastewater via a recycling plant. This means we can reduce tanning agent procurement by 25-30%. At this site, we have a chemical input of 200 to 300 kg per ton of raw material and are well below the ► **EU standard for the best available techniques (BAT) (EU 2013)** of 425 kg per ton of raw material.

We work worldwide with identical finishing formulations and systems for each article. We have been using only aqueous coating techniques for finishing leather since 1987. They are currently based on 70-85% roller application techniques (synchro and reverse process). We have thus been able to reduce the use of the previous chemical-intensive spraying technology (overspray) to 30-45%. To achieve this, we use the latest High Volume, Low Pressure (HVLP) spraying technology and volume control, as well as extremely low atomizing compressed air and a two-component dosing technology.

Activities in 2023

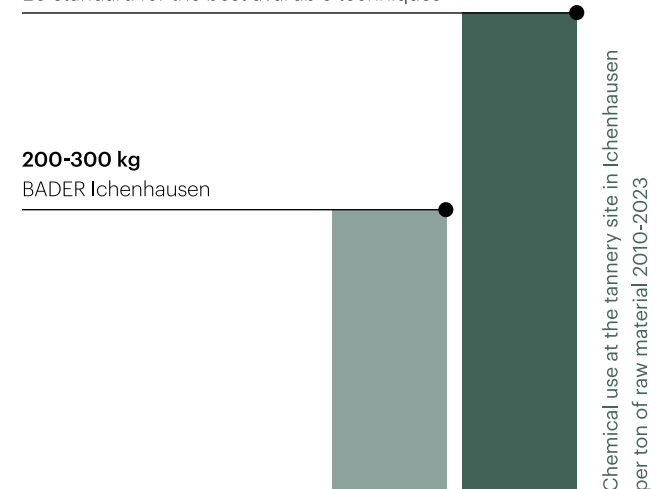
- Maintaining ongoing dialogs with our chemical suppliers to promote the development of less sensitive substances, with a focus on increasing the proportion of bio-based content in our products
- Talks with chemical suppliers on the exchange of LCA information. Results are being received
- Replacement of a spray system in China, resulting in reduced chemical consumption and VOC emissions

425 kg EU-BAT

EU standard for the best available techniques

200-300 kg

BADER Ichenhausen



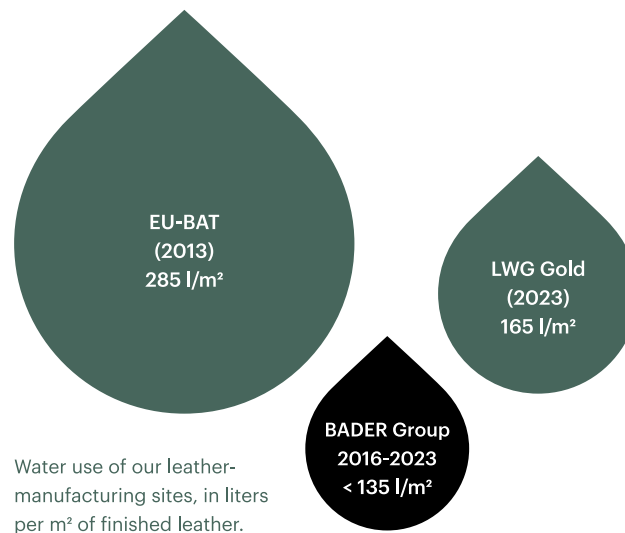
Planet – Environmental Responsibility

Water and Wastewater

Water is one of the most important auxiliary materials in tanning. It serves as a transport medium and solvent for chemicals entering the hide and for decomposition products leaving the hide. Economic use of water and careful purification of the resulting wastewater are therefore two of our most important and, at the same time, quite complex environmental tasks.

We constantly monitor our water usage and take measures to detect and eliminate any groundwater contamination. Wastewater is treated in our own ► **wastewater treatment plant (BADER 2011)** at our tannery site in Ichenhausen so that we can discharge it back into a biologically intact body of water. Our site in Uruguay has a final wastewater purification process. Our sites in China, Mexico, Poland, South Africa and Thailand pre-treat the wastewater before municipal purification. We aim to use easily biodegradable chemicals and maximize their degradation. Our chromium salt recycling process not only reduces the consumption of chemicals but also significantly reduces the amount of trivalent chromium ions in wastewater.

We use technology that, by global standards, reduces water consumption significantly. We also ensure that the most up-to-date technologies, such as water-saving retanning technologies, are regularly transferred to all BADER plants. Through these measures, we have been able to significantly reduce our water consumption worldwide. At our leather-manufacturing sites, the aggregated water consumption between 2016 and 2023 was less than 135 l per m² finished leather. We are thus below the strictest ► **LWG Gold requirements (LWG 2024)** of 165 l per m² and well below the ► **EU-BAT standard (EU 2013)** of 285 l per m².



Activities in 2023

- Reuse of the water stream from the retanning process, thereby reducing the need for fresh water and chemicals, resulting in more cost-effective article production in South Africa
- BADER China recognized for its efforts in increasing water-saving measures and water use efficiency (e.g. installation of an intelligent water control system) by Liaoning Provincial Department of Water Resources & Liaoning Provincial Department of Industry and Information Technology

Planet – Environmental Responsibility

Energy

Energy consumption is an important factor in leather manufacturing, especially due to the drying processes. We are currently in the process of completing a switch to generating heating energy directly at the point of use to avoid heat transfer and transport losses. We also carry out detailed analyses of energy consumption and consistently derive short-term and medium-term measures to reduce energy use further. We conduct regular internal and external (partly certified) energy efficiency audits at our sites worldwide as well as ISO 50001 certification for energy management at our sites in Germany and China.

The ► **ECO₂L (VDL 2023)** and ► **LWG audit systems (LWG 2024)** and their benchmarks play an important role here in improving our environmental performance, including energy efficiency (► **Chapter Sustainable Management**). The energy consumption at these sites was well below the ► **Best Energy Efficiency for Tanning (BEET) energy benchmark (Umweltbundesamt 2003, VDL 2023)**. Seven of our eight leather-manufacturing sites are LWG audited and certified, six of them to LWG Gold level. All manufacturing sites are ECO₂L certified. The energy consumption at these sites was well below the ► **Best Energy Efficiency for Tanning (BEET) energy benchmark (Umweltbundesamt 2003, VDL 2023)**. This reflects our successful holistic optimization of energy use. We will continue to invest heavily in technological developments and other expedient measures at our sites, for example, in Ichenhausen. Our aim is to achieve LWG Gold level at this site, as energy performance is still at Silver level, and to maintain it at our other sites despite ever-stricter requirements.

Today, three of our sites run entirely on electricity derived from renewable sources. In addition, solar panels have been installed at six of our sites, increasing the utilization of renewable energy. Our commitment to sustainability drives us forward, with ongoing efforts to adopt lower-carbon alternative energy sources as an integral part of our strategy.



BADER Poland – BAD102
 BADER China – BAD103
 BADER Mexico – BAD104
 BADER Uruguay – BAD105
 BADER South Africa – BAD106
 BADER Mexico (Split) – BAD110



BADER Ichenhausen – BAD101



BADER Mexico – 024
 BADER Poland – 027
 BADER China – 033
 BADER Ichenhausen – 036
 BADER South Africa – 037
 BADER Uruguay – 052
 BADER Thailand – 056

Activities in 2023

- Replacement of the cooling towers for the production of cooling water needed for the operation of the vacuum dryers with a new cooling system featuring a heat recovery system in Poland, Mexico, and South Africa
- LWG Gold awarded to BADER Uruguay and BADER Split in León, Mexico
- Purchase of an electric lift in Uruguay for 100% electric internal mobility
- National Green Factory Award in China, granted by the Ministry of Industry and Information Technology, recognizing achievements in energy conservation, emissions reduction, and environmental protection
- Further replacement of fluorescent lighting with LED lamps in Ukraine, Bulgaria, Thailand, and Mexico
- Installation of storage system for surplus electricity from solar panels in Ukraine
- Installation of BADER SCADA (Supervisory Control and Data Acquisition) system on specific machines in China, resulting in increased productivity potential
- Heat recovery projects from compressor unit in South Africa
- Installation of a new variable-speed screw compressor in the finishing area and replacement of the old non-variable speed screw compressor, resulting in energy savings of about 25% at our site in Thailand

Planet – Environmental Responsibility

Emissions

The ► **most relevant emissions (e.g. the Sauer Report 2018)** into the atmosphere from a conventional tannery are odor, ammonia (NH₃), volatile organic compounds (VOCs) and greenhouse gases (CO₂ equivalents). BADER has been consistently implementing chemical and environmental management systems to prevent or minimize the output of these emissions. The ► **ECO₂L (VDL 2023)** and ► **LWG (LWG 2024)** protocols are important, science-based instruments to support our calculations. ECO₂L focuses on our greenhouse gas emissions, while LWG also monitors emissions e.g. from beamhouse, boilers and spraying machines.

Greenhouse gases (CO₂e) result primarily from the energy required for drying and the machines in manufacturing as well as the procurement transportations of the input materials. In recent years, we have achieved a reduction in carbon dioxide (CO₂) emissions by reducing drying processes and temperatures, using state-of-the-art drying techniques and many other measures. The ► **corporate carbon footprint (BADER 2015b)** of all processes at the BADER Group amounts to 2-3 kg CO₂e/m² finished leather. This includes all direct emissions from our plants and vehicles as well as indirect emissions connected with the consumption of purchased energy and thus covers all ► **scope 1 and scope 2 emissions (GHG Protocol 2004)**. To have a better understanding of the ecological impact of our products, we completed a full and comparative life cycle assessment (LCA) study for four different leathers.

In 2021, BADER committed to set science-based emissions reduction targets across all scopes through the ► **SBTi (Science Based Targets initiative 2024)**. BADER has a CO₂ working group to set targets and determine reduction potential.

VOCs are typically emitted from solvents used in the finishing process. Our measures described in the section on chemicals to eliminate the use of solvents, have significantly reduced VOC emissions over the past 30 years. Between 2016 and 2023, the annual mean values of VOC emissions at our five major leather-manufacturing sites were between 8 and 21 g of solvent per m² of finished leather, mostly well below the limits specified in the ► **Industrial Emissions Directive (IED) 2010/75/EU (EU 2010, 2013)**. We are working on a further reduction.

Activities in 2023

- Establishment of our CO₂ reduction targets: by 2030, BADER will reduce absolute CO₂e emissions from Scope 1 and Scope 2 by 50% compared to 2019. Additionally, by 2030, BADER will reduce absolute CO₂e emissions from Scope 3 by 28% compared to 2019
- Purchase of a solar-powered electric truck to transport cut parts between the cutting and sewing facilities in Bulgaria, reducing CO₂e emissions.
- Initiated the validation process for our emission reduction targets (Scope 1 to 3) through the Science Based Targets initiative (SBTi)
- Improvement of our reporting tool to calculate both the Corporate Carbon Footprint (CCF) and the Product Carbon – Footprint (PCF)
- Installation of additional photovoltaic systems in China to increase the proportion of renewable energies and further reduce CO₂ emissions

CO₂-emissions

2-3 kg CO₂e/m²
finished leather
of the BADER-group



People – Social Responsibility

Combating poverty, ensuring health, fair opportunities and living conditions and reducing disparities are the major challenges facing sustainable development today. Therefore, we firmly support the Universal Declaration of Human Rights by the UN – a universal system of values and principles of human coexistence. BADER globally supports charitable activities and initiatives and is committed to the observance of human rights, fair working conditions and life-long education and training, as well as a culture characterized by diversity, mutual respect and equal opportunity. The activities described in this chapter address the Global Compact Principles and SDGs shown below.

Principle 1: Support and respect human rights

Principle 2: No complicity in human rights abuses

Principle 3: Uphold freedom of association and recognition of collective bargaining rights

Principle 4: Elimination of all forms of forced and compulsory labor

Principle 5: Abolition of child labor

Principle 6: Elimination of discrimination in respect of employment and occupation



B

- ▶ **In Focus: Ambassadors For Sustainability**
- ▶ **Social Engagement**
- ▶ **Occupational Health and Safety**
- ▶ **Employee Structure and Development**



In Focus:

Ambassadors For Sustainability

In 2023, a team of eight young professionals from BADER participated in the ► **SDG-Scouts®** training of B.A.U.M. e.V., a network for sustainable management. This unique program aims to decode the 17 UN Sustainable Development Goals (SDGs) and uncover the sustainability potential within the company, exemplifying its ongoing commitment to this transformative journey.

The training commenced with workshops wherein participants engaged deeply with the SDGs, assessed their carbon footprint, and analyzed sustainability reports from similar sectors. This collaboration extended beyond the walls of BADER, fostering an exchange of ideas with other participants from different companies.

The practical phase focused on reviewing BADER's practices in Göppingen and Ichenhausen, emphasizing the company's alignment with each SDG and yielding high-impact project ideas. A subsequent workshop in Göppingen refined these ideas, resulting in the selection of a two-part project.

The first part involved creating informative flyers to demystify the SDGs and offer practical integration tips, aiming to raise awareness among BADER employees, recognizing this as the initial step toward sustainable change. The second part manifested as a tangible commitment to biodiversity – the construction of insect hotels in Ichenhausen and Göppingen. Both projects have already been resented to B.A.U.M. e.V, who were delighted with the work done by the BADER team.



Fostering sustainability awareness among new generations is critical for developing socially responsible leaders. Projects like these underscore the importance of well-being and cultivate a global mindset that prioritizes collaborative, innovative, and culturally transformative approaches to a sustainable and socially equitable future. BADER will continue to educate ambassadors for sustainability within our company and the community.



People – Social Responsibility

Social Engagement

All BADER's sites across the globe support the fight against poverty and provide local populations with access to essential resources and services. To this end, we dedicate a substantial part of our turnover to social commitment. In 2006 – after the socially committed Hans Bader died – the Bader family established the charitable “Hans Bader Foundation”. Our global commitment covers five main topics, which are shown below.

BADER promotes **global education and employment initiatives** to improve employment prospects. In Germany, we support the promotion of employment and educational opportunities for the difficult-to-place and long-term unemployed, as well as persons threatened by exclusion from the labor market. In South Africa, we have been offering a one-year training qualification in leather for unemployed school leavers from the local community since 2007. In 2023, this program had 60 participants. In Ukraine and Uruguay, we and other companies cooperate with the local chambers of industry and commerce to promote projects in the dual vocational training scheme.

We are also committed to **health, safety and palliative initiatives**. In Poland, Germany and Mexico, we support hospitals, nursing facilities and hospices. In Bulgaria, a campaign to donate plastic bottle caps for recycling helps to buy incubators for babies and other medical equipment for children's hospitals. In South Africa, we offer medical care in our on-site clinic and donate to charitable organizations that support HIV/ AIDS orphans.

In the area of **sport**, we rely on building partnerships with different sports clubs and associations. Uruguay, Bulgaria and Ukraine, we collaborate with local football teams. In South Africa, we sponsor BADER's Sports Club and local sporting events.

We are also involved in the **care of young and older people** with numerous activities in children's and senior citizens' institutions. In Germany, we promote learning initiatives in kindergartens while in South Africa, Bulgaria and Mexico, we sponsor school equipment and clothes for children with limited resources. In China, it was established the BADER Green Pigeon Reading Room project, donating more than 2000 books, for students with limited resources. In Poland, we support a children's home in Bolesławiec. In Uruguay, we maintain our educational support program for children with learning difficulties in our BADER school. In Bulgaria, we support disabled children in one of the rehabilitation centers in Ruse. In Mexico, we support a retirement home that cares for abandoned elderly women.

In addition to the social engagement to support people in need, BADER promotes **art, culture and history** with a range of regional projects. In Thailand, we support the community by joining the Buddhist Kathin ceremony celebrations in the nearby temples, distributing new year gifts and promoting local businesses. The "Give me 5" program launched in Mexico in 2021 provides employees with the opportunity to make monthly contributions to support projects of their choice, such as painting a church. In 2023, four different projects were carried out.

Education and employment

Health, safety and palliative initiatives

Sports

Youth and elderly care

Art, culture and history

Our social engagement



People – Social Responsibility

Occupational Health and Safety

BADER respects and protects human dignity and observes human and labor rights, as described in more detail in our ► **BADER Group Policy (BADER 2024a)**. BADER's company and personnel management work proactively with employee representatives at individual sites. Company agreements typically cover a variety of issues such as the protection of health and occupational safety, employee development, equal treatment, wage and salary increases and other working conditions.

We actively integrate aspects of health protection and occupational safety into our integrated management system and check compliance worldwide through regular audits (► **Chapter Sustainable Management**). In line with local regulations, we have a joint labor management/health and safety committee and occupational safety experts at our sites who receive regular training.

Life-long **preservation of health and well-being** requires both BADER and every employee to take preventive measures. With the aim of raising awareness, we regularly conduct training on occupational safety risks and best working practices for all employees, including new and semi-skilled employees, trainees, temporary workers and subcontractors. We provide the relevant protective equipment as well as work, process and operating instructions, safety data sheets and risk assessments in the local language. Our workflows, processes and safety equipment are regularly assessed to anticipate health and safety risks on all our sites.

We have specific procedures for handling chemicals or hazardous substances (► **Chapter Planet**). We have also implemented measures to prevent the formation of H₂S, including measuring devices in risk areas, mobile measuring devices and a UNIDO H₂S online training course for employees who are regularly in tanneries and wastewater treatment plants.

There are emergency plans at all sites as well as mandatory reporting procedures in the event of serious occupational accidents. External visitors, such as suppliers, are informed about our safety rules and conduct requirements before they enter our premises.

We provide a range of **health services** on individual sites as well as preventive measures such as mandatory regular health checks, vaccination programs or measures to reduce stress and noise. We are also introducing the ISO 45001 certification for occupational health and safety management across all our sites to improve employee safety further, reduce workplace risks and create better, safer working conditions.

Activities in 2023

- ISO 45001 certification achieved by **BADER Uruguay** and **BADER China (Nantong)**
- Installation of two portable gas detectors with sensors for monitoring levels of ammonia at **BADER Poland**
- Provision of medical care at our on-site clinic in **South Africa**, aiming to reduce the spread of HIV and tuberculosis and enhance the health and well-being of our employees
- Health Day in **Poland** with preventive measures, analyses, and nutritional advice
- Internal communication on health issues, e.g. mental health, diabetes prevention and treatment, sleep hygiene, breast cancer awareness, nutrition, and more, in **Mexico** and **Poland**
- **BADER Bulgaria** recognized as Employer for Ruse Region by the Ministry of Labor and Social Policy for its significant contribution to the labor market, e.g. hiring and retaining unemployed individuals
- **BADER Thailand** awarded platinum medal for the social audit by the ► **RBA (Responsible Business Alliance) (RBA 2024)**.
- Provision of sanitary products for women in **China** and **Germany**
- Firefighting training for employees in **Germany, Thailand** and **Uruguay**



People – Social Responsibility

Employee Structure and Development

BADER creates fair working conditions and promotes **training, career development, diversity and equal opportunities**. We unconditionally reject discrimination and harassment, whether for cultural, ethnic, religious or other reasons and this is embedded in our ► **BADER Group Policy (BADER 2024a)**. The diversity of our employees is our fundamental strength. About 11,350 employees with different backgrounds and experiences work at our 13 sites worldwide.

- The average age worldwide is 39 years (2022: 38 years)
- The proportion of female employees worldwide is 58% (2022: 57%)
- The proportion of foreign employees worldwide is 4% (2022: 3%). This fluctuates due to different regional labor market conditions between 0% in China and Mexico and 32% (2022: 36%) in Germany where we also employ recognized refugees
- The proportion of severely disabled employees in our workforce worldwide is 2% (2022: 2%)
- At the end of 2023, 5.4% of the workforce was trainees, specifically 29 trainees in various dual vocational training programs and practice-oriented higher education study programs

The process for hiring and promoting at BADER is based on clear criteria and recruitment conditions. As part of our commitment to ethical employment practices, we diligently verify the age of candidates before hiring to uphold responsible recruitment standards. Furthermore, we have implemented a protocol to prevent the retention of employee identification documents, prioritizing privacy and security. We give priority to internal recruitment and the company covers the recruitment costs. For employees with disabilities, we pay particular attention to providing appropriate working environments with the necessary infrastructure. All our employees receive regular performance and career development reviews.

BADER offers a variety of internal and external **training opportunities** to improve employment opportunities for our employees. Our targeted talent management program ensures individual training requirements are defined at least once a year. These are determined through voluntary employee appraisals or are jointly selected with supervisors. They are regularly monitored and implemented through binding training and development plans. The internal training programs include on-the-job training and various training programs for new employees and current employees. Our sustainability training courses cover the economic, social and environmental dimensions of our operations and our supply chain, e.g. energy, water conservation, business ethics and online trainings on cyber-security awareness for all employees. We also promote extra-occupational vocational education such as foreign-language and intercultural training as well as technical training courses.

2023

11,350
employees
worldwide

2023 Average age

39 years
worldwide

2023 Female share

58%
worldwide

2023 Training rate

5.4%
in Germany



Partnering – Shared Responsibility

A more sustainable, long-term leather value creation is only possible if we work together with our customers, suppliers and various organizations. In this context, issues such as product integrity, traceability, animal welfare, as well as environmental aspects are becoming increasingly important in our daily decisions. The activities described in this chapter address the Global Compact Principle and SDG shown below.



Principle 8: Undertake initiatives to promote greater environmental responsibility

- ▶ **In Focus: Reducing Value-Chain Emissions**
- ▶ **Sustainable Supply Chain**
- ▶ **Animal Welfare and Traceability**

B



In Focus:

Reducing Value-Chain Emissions

When BADER talks about emission reduction, it is imperative to complement Scope 1 and 2 with Scope 3, which means diving into our value chain. But what exactly is Scope 3?

Scope 3 encompasses all secondary indirect emissions within our value chain, including both upstream and downstream emissions. In concrete terms, for BADER, upstream activities include, amongst others, the purchase of raw hides and waste generated in operations. Examples for downstream activities are the use of sold products, transportation and distribution, and end-of-life treatment of sold products. Scope 3 represents the majority of our Corporate Carbon Footprint (CCF). Adhering to the **► Greenhouse Gas Protocol (GHG Protocol 2004)** and using our reporting tool, we considered all 15 categories. All our worldwide BADER sites laid the foundation by collecting raw data leading to the best calculation possible. We are continuously learning and improving our data quality as well as our modelling techniques.

We developed two ambitious targets related to Scope 3: The first target, in line with climate science, is to achieve a 28% CO₂e emissions reduction by 2030 compared to 2019. As the Scope 3 emissions lie in our value chain, the active involvement and commitment of our valued suppliers is crucial. Since the purchase of leather and hides is the biggest item within BADER's Scope 3 emissions, we formulated the following target:

“We commit that our suppliers, representing 30% of purchased leather and hides in quantity, will have reached science-based targets by 2028.”

Of course, we will embark on the journey together. We know that we have a tough target ahead, so let us join forces and contribute to reducing emissions!



Partnering – Shared Responsibility

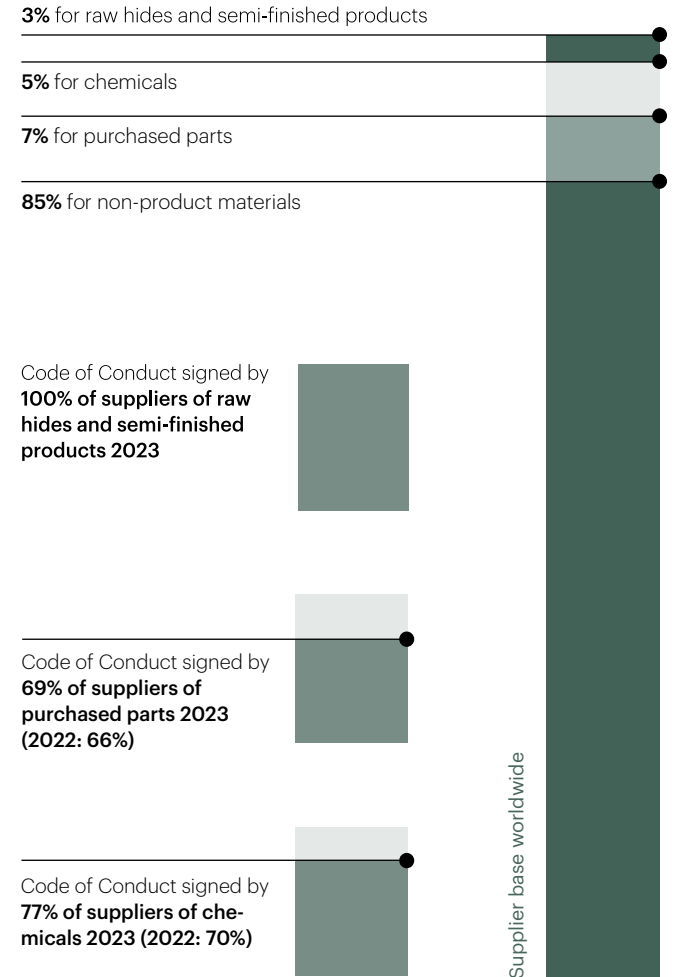
Sustainable Supply Chain

We are convinced that we are better able to develop solutions to global challenges by cooperating with various interest groups. Through a close and continuous dialog, we can identify challenges and develop forward-looking solutions and standards for a more sustainable leather industry. These include our internal and external interest groups such as suppliers, customers, employees, educational institutions and associations as well as authorities, associations, federations and certification bodies.

Our commitment to accountable supply chains and our requirements for sustainable procurement of raw materials is embedded in our ► [BADER Group Policy \(BADER 2024a\)](#). We communicate our supply chain strategy and basic principles of conduct to our business partners via our ► [Code of Conduct \(BADER 2024c\)](#) ► [Terms and Conditions of Purchase \(BADER 2024d\)](#), contracts and security agreements. All of our suppliers of raw hides and semi-finished products have signed the Code of Conduct since 2017 and we are in the process of including other supplier groups as signatories. We refer to the Code of Conduct in our purchasing conditions and urge our suppliers to ensure that their subcontractors adhere to the same principles of conduct.

Our purchasing and supplier management teams oversee and maintain the complex supply relationships. They receive regular internal training on sustainable procurement to initiate targeted improvements, make logistics and production more efficient and the entire planning process safer and more stable.

We conduct regular supplier risk assessments and evaluations and develop risk mitigation strategies through dialog with our senior management. Our **annual supplier evaluation** includes purchasing and logistics criteria as occupational health and safety, quality and environmental management. Our supplier base has approximately 1,860 suppliers worldwide. We conduct annual evaluations of our TOP suppliers in each category. As a result of the supplier evaluation, we demand improvement measures depending on status and hold feedback talks or conduct audits for further development. All our sites have Supplier Quality Assurance (SQA) specialists who regularly visit and audit our suppliers, such as all our major raw material suppliers, to monitor compliance with our requirements.



We are committed to raising sustainability and management system standards in our supply chain, with particular regard to quality and environmental management systems. Thus, we encourage our contract tanneries and semi-finished product suppliers to have their production sites audited and certified by the LWG. More than 89% of our suppliers completed this process between 2012 and 2023. All these activities mean that we are able to address risks in the supply chain and advance important issues in our industry.

We develop alternatives to replace harmful ingredients with alternative substances. Our **Product Safety & Conformity Representatives (PSCRs)** ensure that risks in product development and production are identified, avoided or minimized. We name PSCRs and their deputies for our sites worldwide and also request them from our suppliers.

We use the automotive industry's **International Material Data System (IMDS)** to provide our customers with information on the materials used in our semi-finished products and parts. None of our products contains conflict materials such as tin, tantalum, tungsten or gold. Our list of prohibited and declarable substances – called **BADER Black List** - as well as the chemical, quality and environmental security agreements with our suppliers ensure we meet all our customer and legal requirements. We also carry out random and periodic inspections of incoming goods, leather ingredients and emissions.

Activities in 2023

- Participation in the ► **One 4 Leather initiative (One 4 Leather 2024)**
- Membership of the ► **Leather Naturally association (Leather Naturally 2024)**
- Preparation and implementation of the Supply Chain Act. We started evaluating suppliers through Risk Analysis
- Establishment of our CO₂ reduction targets: By 2030, BADER will reduce absolute CO₂e emissions from Scope 3 by 28% compared to 2019

Training
on sustainable
procurement for

100%
of raw hide
buyers worldwide

LWG certified

2023	2022
89%	86%

of contract tanners
and suppliers
of semi-finished
products



Partnering – Shared Responsibility

Animal Welfare and Traceability

We maintain regular dialog with our suppliers and customers to ensure our high demands on product properties are always met. This ensures we can address challenges such as animal welfare, traceability and environmental considerations throughout the entire supply chain.

We acknowledge the ► **“Five Freedoms” of the Farm Animal Welfare Council (FAWC 2012)** and refuse raw materials from countries with insufficient controls and traceability as well as a high risk of non-compliance with animal welfare. By focusing on the main procurement markets of Australia, Europe, North America and South Africa, we ensure that cattle are bred, transported, and slaughtered under the best possible conditions.

To evaluate animal welfare and animal protection, our raw material purchasing teams regularly visit beef processing plants and agricultural operations. They keep checklists and document the animal welfare standards, activities and developments of our suppliers. Animal welfare considerations are taken into account when we select our suppliers and play an important role in the evaluation process of raw hide sources.

To drive environmental benefits through our supply chains we are focusing on expanding raw hide procurement from regenerative agricultural systems and value chains. Regenerative farming stimulates biodiversity, helps to build soil health, reduces greenhouse gas emissions, conserves water quality and enhances the welfare of cattle.

Markings on every semi-finished and finished product ensure we can trace the entire production process chain in our plants back to the raw material. Further **traceability** of hides is also becoming increasingly important as it influences animal welfare and husbandry, ethically correct and transparent sources, deforestation and ecology. Complete documentation and marking of the hides mean we are able to trace over 90% of the raw material back to the beef processing plant at any time in the production process. In 2022, we implemented the ► **ICEC Certification (ICEC Certification 2024)** at BADER Ichenhausen. This certification indicates the level of control the tannery has over its purchases in terms of traceability of the hides (information about countries, slaughterhouses, and farms).

Activities in 2023

- Participation in the traceability and animal welfare sub-groups of the Leather Working Group
- Full membership of the ► **European Roundtable for Beef Sustainability (ERBS 2024)**, a multi-stakeholder organization that unites and coordinates sustainability programs within the beef value chain
- Participation in the Communications Working Group of the European Roundtable for Beef Sustainability
- Demand and support of assuring animal welfare in our supply chain
- Implementation of various traceability projects in order to achieve greater transparency
- Minimizing deforestation risks in our supply chains
- Implementation of raw hide procurement from regenerative, organic, and more sustainable farms and ranches
- Expansion of business with meat packers
- Engagement with NGOs

“Five Freedoms” of the Farm Animal Welfare Council (FAWC 2012)



Freedom from
hunger and thirst



Freedom from
discomfort



Freedom from
pain, injury or disease



Freedom to
express normal
behavior



Freedom from
fear and distress



Appendix

- ▶ References
- ▶ Abbreviations



B

Appendix

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Appendix

Abbreviations

BAT	Best Available Technique	PSCR	Product Safety & Conformity Representative
BEET	Best Energy Efficiency for Tanning	RBA	Responsible Business Alliance
CCF	Corporate Carbon Footprint	R&D	Research and Development
CCS	Competence Center Sustainability	REACH	Registration, Evaluation, Authorization and Restriction of Chemicals
CO₂	Carbon Dioxide	SA	Social Audit
CO₂e	Greenhouse gases in CO ₂ equivalents	SAP	Systems, Applications & Products
CSR	Corporate Social Responsibility	SCADA	Supervisory Control and Data Acquisition
ECO₂L	Energy Controlled Leather	SBTi	Science Based Target initiative
ERBS	European Roundtable for beef sustainability	SDG	Sustainable Development Goal
EU	European Union	SQA	Supplier Quality Assurance
FAWC	Farm Animal Welfare Council (biologischen Landbau)	TISAX	Trusted Information Security Assessment Exchange
GADSL	Global Automotive Declarable Substance List	UN	United Nations
GHG	Greenhouse Gas	UNIDO	United Nations Industrial Development Organization
H₂S	Hydrogen Sulfide	VDL	German Leather Federation (German: Verband der Deutschen Lederindustrie)
HIV/AIDS	Human ImmunoDeficiency Virus/Acquired Immune Deficiency Syndrome	VOC	Volatile Organic Compound
HVLP	High Volume Low Pressure		
IATF	International Automotive Task Force		
ICEC	Institute of Quality Certification of the Leather Sector		
IED	Industrial Emissions Directive		
IMDS	International Material Data System		
ISO	International Organization for Standardization		
LCA	Life Cycle Assessment		
LED	Light Emitting Diode		
LWG	Leather Working Group		
NGO	Non-governmental Organization		
NH₃	Ammonia		
PCF	Product Carbon Footprint		





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Additional information on BADER and
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www.bader-leather.com

