

BADER Group Policy – Principles and Code of Business Conduct



We act legally and fairly

We consider legal, documentary and ethical principles as elementary measures of our actions
We conduct ourselves with fairness



We take the journey together

Our employees are our most valuable foundation
We ensure that our customers are satisfied
We involve our suppliers and trade partners as well as public administrations



We respect human dignity

We respect the rights of assembly, association and collective bargaining
We reject forced labor, human trafficking and any restrictions on freedom of movement
We reject child labor without reservation



We design working conditions so they are fair and safe

We grant appropriate working hours, vacation and remuneration
We are committed to securing employment and equal opportunity
We reject discrimination and harassment without reservation
We ensure health protection, occupational safety, fire protection and emergency precautions



We ensure that requirements are met

We guarantee quality, product safety, comfort and efficiency
We ensure the protection of resources, environmental compatibility and energy efficiency
We protect the data and information of our business partners, employees and our own company know-how



We want to continuously improve in all areas

We consider continuous improvement as being the impulse for all our actions
We design our processes according to the criteria and principles of the Bader Operating System
We consistently apply our integrated management system

13th January 2021, Your management

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Explanation regarding the policy of the BADER Group

Preamble and scope of application

With the aim of acting in an economically sustainable manner, the BADER Group develops, produces and sells leather, stamped parts and seat covers for the automotive industry worldwide. This policy is to be understood as the framework within which we operate as a company in society. For the entire BADER Group, it defines our requirements for quality, environmental protection and energy efficiency as well as information security – in addition to principles and principles of conduct regarding legality and ethical, civil and social principles, including health protection and occupational safety.

Our sense of responsibility toward people, society and the environment, lead us to signing the United Nations Global Compact Principles which means we are committed to respecting human rights, labor rights, protecting the environment and working against corruption, as well as the Sustainable Development Goals. In addition to the requirements of our stakeholders, such as owners, employees, customers and others, our policy takes into account the internationally recognized requirements from the ILO's "Declaration on Fundamental Principles and Rights at Work" from 1998, the United Nations' "Guiding Principles on Business and Human Rights" from 2011 and the OHCHR's "International Bill of Human Rights" from 2003. BADER's policy is a guideline for all employees (hereinafter referred to as employees) regardless

of their (management) level and is available on the Intranet and Internet, for all parties interested. It is explained in more detail below. We respect human dignity.

We act legally and fairly

We consider legal, documentary and ethical principles to be elementary measures of our actions.

It is a matter of course for us to comply with national and local legal obligations, regulations and other requirements within the framework of all operational processes and at all operational levels. We also expect this from our business partners.

We conduct ourselves with fairness

We reject all forms of corruption, extortion and bribery. It is important to us that we comply with fair business and competition standards and antitrust laws. In our dealings with business partners, government institutions and employees, the interests of the company and the private interests of employees on both sides, must be kept strictly separate. Decisions must be made free of extraneous considerations and personal interests. Invitations, gifts and benefits that could influence business decisions and orders, must not be accepted, demanded or granted. All business communication such as financial accounts, quality reports, time records, submissions to customers or

government agencies, travel or expense billing are properly recorded, maintained and tracked in reports, in compliance with applicable legislation and accounting guidelines, where applicable. We respect intellectual property and reject plagiarism.

We take the journey together

Our employees are our most valuable foundation
Only together with our employees, can we ensure and continuously improve the quality, environmental compatibility and sustainability of our products while making careful use of energy and resources. Each employee is obligated to fulfill all process requirements for quality, protecting the environment, use of energy, information security, occupational safety and health protection, within the scope of his or her duties. Through consultation, informing, training and involving our employees in accordance with their tasks and duties, we promote awareness of lawfulness, ethical, civil and social principles, as well as our requirements for quality, environmental protection, energy efficiency, information security, health protection and occupational safety.


We ensure that our customers are satisfied
Customer satisfaction is our top priority. We do everything that is within reason and practical to meet our customers' requirements in terms of quality and

comfort, cost-effectiveness, environmental compatibility, energy efficiency, information security, health protection and occupational safety. Particular importance is attached to building and maintaining long-term relationships.

We involve our suppliers and trading partners as well as public administrations

We cultivate long-standing and mutually valuable business relationships with our suppliers and trading partners. We are committed to responsible supply chains, the development of sustainability and management system standards and to product safety compliance. Sustainability aspects such as ethical, social and environmental criteria are important supplier selection criteria. For our suppliers, it is a mandatory requirement that they comply with human rights and environmental specifications. Through our AEO (Authorized Economic Operator) certification, we ensure compliance with the currently valid export control regulations. Our checks of the sanctions list concerning customers, suppliers and personnel, are performed as standard. We expect the same level of commitment from our suppliers regarding their subcontractors. In addition, we maintain contact with local public administrations and provide information on inquiries, quickly and competently. In the evaluation process of raw hide sources, animal welfare and traceability are also included in the selection process of our suppliers. We deliberately avoid raw materials from countries with only insufficient controls and traceability as well as a high risk of non-compliance regarding animal welfare, the environment and use of resources. By focusing on our main procure-

ment markets, we ensure that cattle are bred, raised, transported and slaughtered under the best possible conditions. Due to detailed requirements for the properties of raw hides, we can exclude the possibility of processing hides from wild animals listed in the Washington Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES 1983).

 **We respect human dignity**

We respect the rights of assembly, association and collective bargaining

BADER is interested in constructive, cooperative collaboration and having a regular exchange with employee representatives. Bader respects the right of its employees to assemble, to organize and to bargain collectively, within the framework of the applicable legal regulations.

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

All our employees work for us voluntarily. They are free to terminate their employment contract after giving reasonable notice. We do not keep any part of employees' property or documents.

We fully reject child labor

In compliance with ILO regulations and applicable national labor laws, we fully respect the legal minimum age for employment .



We design working conditions so they are fair and safe

We provide reasonable working hours, vacation and remuneration

Every employee is entitled to working hours and vacation, which always correspond at least to the legal requirements typical for the country and in some cases go beyond these. As far as possible and as far as operational requirements allow, flexitime is granted in accordance with the cultural characteristics of the country concerned. Working on Sundays and public holidays is only required in exceptional situations. The wage level at the individual locations is based on the respective regional average, not the lower limit, and minimum standards met or exceeded, where defined. Depending on local conditions, we compensate for additional and atypical working hours.

We are committed to securing employment and equal opportunity

We deploy our employees according to operational requirements, general conditions and personal suitability. We promote equal opportunity and family-friendly conditions. Hire and Fire is undesirable. As part of a targeted talent management program, we require and promote internal and external training and development of employees at all our plants. Our global positioning gives employees the opportunity to be deployed internationally.

We unreservedly reject discrimination and harassment
The diversity of our employees is our fundamental

strength. We pursue and discipline discriminatory statements or actions occurring during recruitment and employment, between employees – whether on cultural, ethnic, religious or other grounds – using all available internal and legal means.

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

We understand occupational safety to be 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, to eliminate hazards and to minimize safety and health risks. With our accident and crisis management, we prevent accidents and malfunctions of any kind and solve problems that are identified, effectively. In addition, machine safety at the work places is assessed at an early stage as well as on an ongoing basis and, if necessary, special safety measures are initiated, taking into account legal requirements. We do not assign our employees to work that may endanger their health, safety or morale. We promote health and safety awareness among our employees through communication, information and training, in accordance with their tasks and duties. Our preventative health care includes programs, in some cases health days and, where appropriate, in some cases financial support for preventative measures. Fire protection and emergency precautions are extremely important to us and are a given. Together with local authorities or service providers, we ensure that in the event of an emergency all procedures function in accordance with legal requirements.



We ensure that requirements are met

We guarantee quality, product safety, comfort and economic efficiency

We are permanently committed to meeting our customers' demands for system and process quality, ensuring the health and safety of customers and end users, as well as ensuring the convenience and durability of our products. In our ISO17025 accredited laboratories, test procedures are updated and modified as needed.

We ensure the protection of resources, environmental compatibility and energy efficiency

We purchase resource and energy efficient products, including renewable energy. By using water, energy and other raw materials sparingly, ensuring the safety of chemical inputs and using environmentally sound processes and techniques, we achieve biodiversity protection and high ecological compatibility to ensure good air and water quality along with low consumption. Through the sustainable resource-conserving use of materials and recycling wherever possible, we avoid waste.

We protect the data and information of our business partners, employees and our own company know-how

Data protection and information security make a significant contribution to the trust-based cooperation with our business partners and employees. Extensive organizational and technical security measures, as well as the awareness of our employees, equally ensure the confidentiality, integrity and availability

of data and information of our customers, our employees and our company. We assess risks, derive measures from them and systematically analyze information security and data protection incidents. In this way, we avoid the risk of incidents occurring or recurring.



We want to continuously improve in all areas

We consider continuous improvement as being the impulse for all our actions

We strive to continuously improve our products, processes, production sites and organization. We take targeted measures to continuously improve quality, information security, environmental and energy related performance as well as health protection and occupational safety. We use advanced technologies to develop more ecologically and energetically efficient and safe processes. We consistently implement corrective, preventive and improvement measures to avoid errors, risks and their causes. Goals are systematically defined and pursued.

We design our processes according to the criteria and principles of the Bader Operating System

To achieve operational excellence for our customers, we have defined jointly agreed criteria, principles and proven methods for process improvement – our Bader Operating System. In doing so, we involve all sites worldwide, promote best practice solutions for standardization in a results-oriented manner, and so we continuously develop as all Bader employees participate.

We consistently apply our integrated management system

To ensure the various requirements are met as well as the continuous improvement in all phases of product planning, manufacturing and use, we apply our process-oriented integrated management system. We maintain certified management systems at the individual sites (see <http://bader-leather.com/zertifikate>).

What employees can do if necessary

Employees who identify legal violations or breaches of these principles and codes of conduct, as well as risks and vulnerabilities that could lead to violations, can report them to the complaints office, their supervisors or employee representatives. We investigate the concerns raised, take appropriate action and provide feedback if we know the employee who has reported. Through the employee representative body, there is the option of maintaining anonymity. In any case, any employees who report concerns, will not be discriminated against, nor will their names and information disclosed be passed on to third parties. They will not be involved in further investigations.

Possible consequences of legal violations and breaches

BADER pursues a zero-tolerance policy and does not accept violations of the law and breaches of these principles and codes of conduct by employees. Culpable actions may result in consequences under labor law, up to and including termination of employment. Damage caused by violations may result in personal liability of the employee. Courts and authorities may impose penalties or fines. If a concern raised turns out to be a false report and proven to be intentional, it will be handled with all the possible consequences outlined above.

13th January 2021, Your management

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