

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 ensure responsible supply chains



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 bear social responsibility and ensure requirements for social coexistence



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

3rd March 2022, Your management

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Explanation regarding the policy of the BADER Group

Preamble and scope of application

The BADER Group develops, produces and sells leather, punchings and seat covers for the automotive industry worldwide, with the goal of operating economically and sustainably. This policy is to be understood as the framework within which we as a company operate in society. For the entire BADER Group, it defines our requirements for quality, environmental protection, energy efficiency and information security, in addition to guidelines and principles of conduct on legality and ethical, civil and social principles such as discrimination, occupational health and safety and work security.

Our commitment towards people, society and the environment resulted in our signing the Global Compact Principles of the United Nations. We are committed to human rights protection, fair labor practices, protecting the environment and anti-corruption practices as well as to sustainable development goals. In addition to the requirements of our interested groups such as owners, employees, customers, among others, our policy takes into account the internationally recognized requirements of the IAO "Declaration on Fundamental Principles and Rights at Work", recognizes applicable international ILO agreements 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. The BADER policy is a guideline for all employees (hereinafter referred to as employees) regardless of their (management) level and is available

on the Intranet/infonet and Internet, for all interested parties. It is explained in more detail below.

We act legally and fairly

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

Compliance with national and local legal obligations, regulations and other international normative and ethical standards within the framework of all operational processes and at all operational levels, is a matter of course for us. We also expect this compliance 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 treat our workforce with decency and respect. Use of corporal punishment, any form of coercion or verbal abuse is not tolerated. Harsh and inhumane treatment is prohibited.


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 maintain long-standing and valuable business relationships with our suppliers and trading partners. We are committed to accountable supply chains, the development of sustainability and management system standards as well as important issues such as adherence to animal welfare rights and product safety. Sustainability aspects such as ethical, social and ecological criteria are important supplier selection criteria. Requiring compliance with human rights and environmental specifications from our suppliers is mandatory. Through our AEO (Authorized Economic Operator) certification, we ensure compliance with the currently valid export control regulations. Checking a sanctions' list of customers, suppliers and personnel is carried out as standard practice. We expect the same level of commitment from our suppliers' subcontractors. Furthermore, we maintain contact with local public administrations and provide information on inquiries quickly and competently. In addition to the evaluation process of raw hide sources, animal welfare and traceability are also taken into account when selecting our suppliers. We deliberately avoid raw material from countries with only insufficient controls and traceability as well as a high risk of not respecting

animal welfare, the environment and resources. By focusing on our main procurement markets, we ensure that cattle are bred, raised, transported and slaughtered under the best possible conditions. Due to detailed requirements for the properties of the raw hides, we can exclude the processing of hides from wild animals listed in the Washington Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). Deforestation can have serious negative consequences for people, wildlife and the environment. Bader is aware of these potential impacts and risks and takes steps to identify and counteract deforestation issues in the company's supply chains. We require the same commitment from our suppliers and subcontractors.



We respect human dignity

We respect the rights of assembly, association and collective bargaining

BADER is interested in constructive, collaborative cooperation and exchange on a regular basis, with the employee representatives, BADER respects its employees' right of assembly, right of association and the right to collective bargaining 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 on a voluntary basis. They have the freedom to terminate their employment after giving reasonable notice. We do not retain any

part of an employee's 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 reasonable working hours 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 in accordance with operational requirements, flextime is granted in alignment with the cultural customs of the a country. Working on Sundays and public holidays only happens in exceptional circumstances. The wage level at the individual sites is based on the respective regional average, not on lower limits. Statutory minimum industry standards or, where applicable, collective wage agreements are complied with or exceeded where defined. Depending on local conditions, we pay our employees 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 the cornerstone of our strength. We pursue and punish discriminatory statements or actions occurring between employees during recruitment and employment – no matter whether on cultural, ethnic, religious or other grounds – with all available internal and legal means and expressly prohibit any behavior and actions that are threatening, offensive, exploitative or sexually coercive, in the workplace.

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 bear social responsibility and ensure requirements for social coexistence

Social values are important to us so we comply with the requirements of SA8000.



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 occu-

pational 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 violations 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 concerns raised, take appropriate action and provide feedback if we know the employee filing the report. Employees have the opportunity of maintaining anonymity by reporting through their representative. In any case, we will not discriminate against any employee that files a report, disclose their names and information to a third party or involve them further in 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.

3rd March 2022, Your management

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