

Bader Group Policy

Guideline - Animal welfare and deforestation

Introduction

As an extension of the Bader corporate policy, this guideline is intended to specify current requirements in the areas of animal welfare and deforestation in the company and the supply chain.



**Side by side
we walk together**

1. Animal welfare

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

The BADER Group only processes hides from domesticated cattle. Due to detailed requirements regarding the properties of the raw hides, it can be ruled out that hides from wild animals listed in the Washington Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) (CITES 1983) are processed.

The size of the raw hides varies according to breed, weight and sex. On average, we process hides with a finished leather surface area of 4.2 m², which come exclusively from cattle that are fully grown and no longer suckled. Economic growth is only possible in the long term and sustainably if animal welfare is taken into account. Today's EU animal welfare policy is based on the "Five Freedoms" concept (see illustration) of the Farm Animal Welfare Council (FAWC), which originated in the UK and which BADER also follows. As a logical consequence of our responsibility towards society and the environment, compliance with animal welfare through the supply chain to the rawhide suppliers is an important prerequisite for joint and sustainable action.

We deliberately avoid raw materials from countries with inadequate controls and traceability and a high risk of non-compliance with animal welfare. By focusing on selected procurement markets, we ensure that the cattle are bred, kept, transported and slaughtered under the best possible conditions.

To assess animal welfare in our supply chain, slaughterhouses and farms are regularly audited by Bader using internal checklists. The animal welfare standards, activities and developments of our suppliers are important to us. Animal welfare aspects are regularly included in the selection of our suppliers and will continue to play an increasingly important role in the evaluation process of rawhide sources for the Bader Group.

1. **Freedom from hunger or thirst** by ready access to fresh water and a diet to maintain full health and vigour
2. **Freedom from discomfort** by providing an appropriate environment including shelter and a comfortable resting area
3. **Freedom from pain, injury or disease** by prevention or rapid diagnosis and treatment
4. **Freedom to express (most) normal behaviour** by providing sufficient space, proper facilities and company of the animal's own kind
5. **Freedom from fear and distress** by ensuring conditions and treatment which avoid mental suffering



**We respect
human dignity**

2. Deforestation

We refuse to expel people from woodland, the land and water

Deforestation can have serious negative consequences for people, wildlife and the environment. BADER is aware of these potential impacts and risks and takes measures to identify and counteract the problems of deforestation in the company's supply chains.

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We are strongly committed to ensuring that human rights are respected in all circumstances and reject any form of forced displacement such as disregard for land, forest and water use rights, especially of indigenous peoples and other minorities. We therefore do not use any goods that have been obtained in violation of these rights.

We also require our suppliers to address this issue and to take measures on their part. In particular, the supplier undertakes to impose the same obligations on the sub-suppliers it commissions.

We are convinced that we are able to find joint solutions in cooperation with various interest groups. Through close dialog with our suppliers, we have been able to work out challenges and complex solutions. We have been working with various interest groups for years. These are, for example

- Leather Working Group (LWG)
- NGOs (ERBS - European Roundtable for Beef Sustainability)
- COTANCE (Confederation of the European Leather Industry)
- Association of the German Leather Industry (VDL)

We are aware of the new traceability requirements resulting from the adoption of the EU Deforestation Regulation (EUDR). We are therefore already working towards meeting the requirements placed on us in terms of traceability and deforestation-free supply chains, although the specific legal requirements are not yet sufficiently known. Difficult and often interconnected trade relationships in the international livestock and skin trade make traceability complicated. Thanks to strategically managed trade relationships and long-term connections, as well as good communication with suppliers, the BADER Group is already able to trace over 90% of raw materials back to the slaughterhouse. By expanding business directly with the slaughterhouses, this proportion will continue to increase in the coming years. In addition, we are striving to establish new processes and procedures to comply with this regulation. We are actively approaching our suppliers to ensure that they are aware of the new requirements and can provide the relevant information. Bader recognizes the importance of transparency in this process and is committed to the disclosure of all data, which is currently not possible under current data protection law to the extent that would be desirable to further improve transparency. We are continuously improving our mechanisms for tracking and verifying the entire supply chain in order to offer our customers the highest level of confidence in our products. In addition, we are committed to a close dialog with our suppliers and work with them to promote sustainable practices throughout our supply chain and drive process changes that help meet enhanced traceability and data availability requirements.

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