

Bader Group-policy

Guideline - Anti-corruption



Our conduct is lawful and fair

Our conduct is fair

We reject all forms of corruption, extortion, and bribery. Compliance with fair business and competition standards and antitrust laws is important to us. In our dealings with business partners, government institutions, and employees, the interests of the company and the private interests of employees must be strictly separated on both sides. Decisions must be made free of any considerations unrelated to the subject matter and of any personal interests. Invitations, gifts, and benefits that may influence business decisions and orders cannot be accepted, requested, or granted. All business documentation such as financial accounts, quality reports, time records, submissions to customers or government agencies, and statements of travel and other expenses are maintained and tracked in reports and similar documents in compliance with any and all statutory regulations and, where applicable, accounting principles.

1. Fundamental principles and scope of application

Compliance is a term broadly encompassing the observance of laws and regulations by the company and its employees. Compliance management ensures the structured development of internal rules and guidelines. Furthermore, it also monitors the actions of the company's employees for conformity with the issued provisions.

Corruption is the abuse of a position of trust held in business, administration, or politics with the intent of gaining an advantage to which there is no legally founded entitlement. Certain forms of corruption are punishable under German law. Examples are the acceptance and granting of benefits and the giving and taking of bribes — in a broader sense, the term also includes criminal offenses such as money laundering and extortion. In addition, corrupt behavior in administration and business can have consequences under labor and employment law.

Conflicts of interest exist whenever the private interests of employees collide with the business interests of the company, i.e., are contrary to the interests of their employer or its corporate philosophy and/or could even cause harm to the company.

Integrity is the key prerequisite for cooperation in a spirit of trust and good business relationships. We are committed to values such as honesty, transparency, fairness, or neutrality. We strive to achieve long-term success through our ethically and morally impeccable actions based on these values. The logical consequence is that we must refrain from any and all behavior that is in contradiction to these standards.

Our declared aim is to guard against and prevent corruption and abuse of power within the BADER Group.

This anti-corruption policy guideline offers specific information on this important topic to all BADER employees provides concrete criteria that they can follow in performing their daily work. It dictates the conduct of all BADER employees worldwide, but especially of those employees who are involved in processes regarded as particularly vulnerable to corruption. We also expect our business partners (suppliers, customers, service providers, etc.) to act with integrity within the sense of this policy.

2. Gratuities from suppliers, service providers, and other business partners

2.1 Suppliers and service providers are to be selected solely on a competitive basis. Attempts by any business partners to influence BADER employees in their procurement decisions by offering gratuities, benefits, or monetary gifts to the employees themselves or to third parties will not be tolerated. Business partners must be informed that any attempts to influence employees of the BADER Group are unacceptable. Warnings must be issued for any violations of this prohibition; serious or repeated violations must be sanctioned by a ban on orders.

2.2 With the exception of situations simultaneously meeting all of the criteria listed below, BADER employees may not accept (whether directly or indirectly) any gifts, gratuities, bonuses, or other unfounded enrichments (e.g., loans, commissions, security deposits, real estate or interests in property, or any other type of services or benefits).

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This prohibition does not apply to occasional gifts or invitations

- that are received sporadically (once or twice a year per business partner); and
- that are of low financial value as defined in section 2.3; and
- that are in line with customary business practices; and
- that can be accepted without violating legal regulations; and
- for which any influence on the decision to conclude a contract with a business partner can be precluded from the outset.

In this sense, the following gifts and invitations may generally be accepted while taking into account the specific situation:

- Promotional gifts (e.g., ballpoint pens, calendars, notepads, coffee mugs, T-shirts, or other simple items of clothing, etc.) and other gifts of low value (see section 2.3); and
- Occasional invitations to business meals as long as the invitation has a business purpose (e.g., the meal is provided within the framework of a business meeting).

The acceptance of gifts, benefits, and invitations is expressly prohibited if there is any risk that they will unduly influence the employee's behavior (e.g., if a relationship can be established between the acceptance of a gift, benefit, or invitation and the awarding of an order or the conclusion of a contract).

Special caution should be observed when accepting any invitations offering to cover the travel or accommodation costs or the costs for an accompanying spouse or travel companion. It is generally prohibited for such costs to be borne by a business partner unless they are incurred because of social or cultural obligations (e.g., an invitation to a ball requiring the person to be accompanied). Any exceptions must be approved in advance by the employee's supervisor.

2.3 We consider gifts from third parties with a value of no more than €50 and invitations from third parties with a value of no more than €100 to be appropriate and of "low value." If you have any doubt about the appropriateness of gifts or invitations, consult your supervisor.

Please note in any case that gifts, benefits, and invitations above a certain value are considered taxable income in most countries. Obviously, compliance with applicable tax laws and regulations is required.

2.4. The acceptance of monetary gratuities of any kind (e.g., including gift cards and shopping vouchers) for personal use or use by a third party is not permitted in any case. Any such offers must be reported immediately to the supervisor or through the whistleblower reporting office.

2.5 Occasional invitations (once or twice a year per business partner) to events such as sporting events, concerts, cultural events, trade fairs, or conferences may be accepted solely under the following conditions:

- There is an immediate business purpose (but no intention to influence the decision associated with the conclusion of a contract);
- The employee is accompanied by a representative of the business partner; and
- The value of the admission ticket is appropriate to the guest's position in the company.

Such an invitation may be accepted solely if it has been approved by the supervisor. The assumption of travel or accommodation expenses and an invitation including the spouse/companion by the host company must normally be declined. Exceptions are subject to the express prior approval of the supervisor.

2.6 Gratuities, gifts, benefits, or invitations that may not be accepted pursuant to these rules must be politely declined in reference to the company guidelines. If the gratuity has already been received, it must be returned. If this is not possible, it must be reported to the supervisor, who will then decide on the further procedure.

3. Gratuities provided to employees of customers or other business partners

We respect the expectations of our customers and business partners that their employees should not be influenced in their (purchasing) decisions by the provision of personal gratuities. Consequently, gifts, invitations, and other gratuities to employees of customers or other business partners must be limited to a scope that is inadequate to influence the purchasing decision of

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the employee(s). Gratuities in excess of promotional gifts and invitations to ordinary business meals are permitted solely if the supervisor of the customer or business partner's employee(s) or another responsible body has been informed and has approved the gratuity.

The same rules apply to the granting of gratuities to customer employees as to the acceptance of gratuities from suppliers and service providers by BADER employees as set forth in Chapter 2. Monetary gratuities of any kind (including, for instance, gift cards or shopping vouchers) are not permitted.

These rules also apply to invitations offered, promised, approved, or issued to persons with whom the employee of the customer/business partner has a close relationship and other third parties.

4. Gratuities to public officials

4.1. The rules set out in Chapter 2 also apply to gratuities, benefits, gifts, or invitations that are offered, promised, disbursed, or granted to public officials for their personal use or use by third parties. Some government agencies and positions have strict rules prohibiting any gratuities, invitations, and other gifts of any nature, even those of low value. Employees of the BADER Group are required to exercise particular caution when dealing with public officials and representatives of government agencies and governments so as to avoid any impression of any kind that any personal favor shown to such persons is intended to influence them to take or to refrain from taking a certain action in the performance of their official duties. All employees are prohibited from engaging in any actions and measures that could give this impression.

As a matter of principle, the grant, offer, promise, or disbursement of money, gratuities, or benefits of any kind, either directly or indirectly, to public officials or persons close to them (e.g., family members) or to third parties is prohibited.

Exceptions must be approved in advance by the competent supervisor in the company and/or the management of the pertinent country. Invitations to ordinary business meals for public officials require the prior approval of the employee's supervisor. Snacks, coffee, and other beverages during meetings are permitted as part of normal company hospitality, provided this does not conflict with legal and other regulations.

4.2. It goes without saying that this rule may not be circumvented by offering, promising, authorizing, or granting gratuities to persons, companies, or institutions that are in any way related to a government official or representative or other public official.

4.3. Payments or comparable gratuities, invitations, gifts, or benefits of any kind for the purpose of securing or accelerating routine actions by public officials, inspectors, auditors, or employees of companies or of influencing opinions and decisions (so-called "facilitation payments") are strictly prohibited.

The provisions of this policy guideline apply to inspections/audits of all kinds, e.g., relating to taxes, customs matters, occupational safety, antitrust law, technical and environmental sectors, etc., that are conducted by public officials and/or private accredited companies for or on behalf of public institutions necessary for the issue of licenses, permits, authorizations, or concessions.

5. Conflicts of interest

A conflict of interest exists when the private interests of an employee collide with the business interests of the company. All employees are expected to disclose fully (notification of their direct supervisor) any and all situations in which off-duty activities or personal or financial interests could potentially conflict with the interests of the company.

No employee may have a personal interest that conflicts with his/her loyalty and responsibility to the BADER Group. All employees must perform their duties solely on the basis of what is in the best interests of the company, regardless of personal considerations or relationships.

5.1 All employees are expected to maintain an impartial relationship with customers and suppliers and to act solely in the interests of the company. Furthermore, they may not hold any legal or financial participations in suppliers or customers. If employees or a member of their families (the employee's spouse, one of their children, or another immediate family member) receives or acquires an interest in a supplier or customer's business as a gift, inheritance, or by other means, it must be reported to the company.

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6. Processing of received information

6.1 Possible corruption violations can be reported to supervisors, the works council, or the BADER whistleblower office. The procedure also provides for the anonymous submission of information — both in writing and by phone.

The competent position (= case manager) reviews the information by documenting the report in writing, identifying and naming all persons involved, and compiling the available information that will substantiate (or refute) the report.

The case manager notifies the management and/or HR director about the submitted report. The latter decide what further analyses, steps, or measures will be taken and what possible disciplinary or labor law measures are required.

We are aware of the sensitivity of the information and have implemented measures to ensure the confidential handling of the whistleblower's information.

If suspicion of criminal offenses is confirmed, the police and/or government agencies will be called in.

7. Training

7.1 All employees who are involved in processes susceptible to corruption are informed and trained on the conduct obligations set out in this policy guideline.

7.2 Initial information and training are provided by the supervisor during the onboarding of a new employee. A printout of the policy guideline is given to all employees and must be signed by every individual. Follow-up training for employees with recurring external contact takes place as part of regular instruction using web-based learning modules (SoSafe).

The implementation of and compliance with the anti-corruption policy guideline in the BADER Group are ensured and documented by regular management reviews at the BADER plants in other countries.

8. Complaints reporting office


We encourage any and every breach of this policy guideline to be reported to a supervisor or his/her supervisor, the works council, or to the BADER complaints reporting office. Business partners and external third parties may also submit information to this office.

→ <https://bader-leather.complaints-office.com>

→ Email: bader-leather@complaints-office.com

→ Phone +49 421 331143-70 (Hotline).

Read and acknowledged:		
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Date	Name	Signature

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