

An aerial photograph of a winding asphalt road through a dense forest. The trees are mostly green, with some showing autumnal colors of yellow and orange. A large, white, stylized letter 'B' is overlaid on the left side of the image, partially obscuring the road and forest. The 'B' is composed of thick, rounded strokes.

For contractual partners of the BADER Group

# Code of Conduct



# Code of Conduct for contractual partners of the **BADER** Group

This code is valid to the same extent for all companies and operating sites belonging to the BADER Group as well as for all companies and operating sites to be assigned to the supplier.

## Preamble

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. Our sense of responsibility towards people, society and the environment, lead us to sign the Global Compact Principles of the United Nations and we are committed to human rights, labor rights, the environment and against corruption, as well as to sustainable development goals. The Code of Conduct sets out, for all business partners, our requirements for quality, environmental protection and energy efficiency, in addition to principles and codes of conduct regarding lawfulness, ethical, civil and social principles, including health protection and occupational safety.



## 1. Our business partners act within the law and fairly

### Legal, documentary and ethical principles

Compliance with national and local legal obligations, regulations and other requirements in all operational processes and at all operational levels, is a matter of course for us. We also oblige our business partners to do so, as well as to comply with environmental regulations, export control requirements and accountable business documentation. Our business partners commit to respect intellectual property, reject plagiarism as well as fight and disapprove counterfeit parts. Financial responsibility is awaited from all our partners and they keep correct records. Our business partners must identify and correct any cases or risks of money laundering. Furthermore, they have to comply with laws regarding fair competition and antitrust.

### Combating corruption

We reject all forms of corruption, extortion and bribery. In dealings with business partners, government institutions and employees, the interests of the company and the private interests of employees on both sides, are to be kept strictly separate. Decisions are to 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.



## 2. We walk together side by side

### Supply chains and trading partners as well as public administrations are involved

Our business partners maintain long-standing and mutually valuable business relationships with suppliers and trading partners. They are committed to reliable supply chains, the development of sustainability and management system standards and to important issues such as animal welfare compliance, traceability, resource conservation and product safety. We expect the same level of commitment from your subcontractors. Sustainability aspects such as ethical, social and environmental criteria are important selection criteria for subcontractors. The partner commits, not to undertake any serious human rights violations such as torture, cruel, inhuman and degrading treatment, including corporal punishment, sexual violence, commit or participate in war crimes or crimes against humanity. Suppliers of raw materials that originate from conflict and high-risk areas or raw materials which are transported through conflict areas and suppliers for using in their products must fulfil their due diligence obligations in the supply chain. Effectively conducted supply chain due diligence reduces the risks of actual and potential adverse impacts along the supply chain. Partners must describe an appropriate policy how they systematically identify and prioritize sustainability risks and implement countermeasures.



## 3. Our business partners respect human dignity and uphold human rights

### Freedom of association, coalition and collective bargaining

Our business partners respect the right of employees to assemble, to organize and to bargain collectively without interference within the framework of the applicable legal regulations and ILO Conventions No. 87 on Freedom of Association and Convention No. 98 on the Right to Organize and Collective Bargaining. Establishing, joining, or becoming a member of a trade union shall not be used as a reason for unjustified discrimination or retaliation.

### Forbidding child labor, forced labor and human trafficking

All employees work voluntarily for our business partners. They have the freedom to terminate the employment agreement giving reasonable notice. Human trafficking and child labor are unreservedly rejected. Our business partner assures that child labour will not be tolerated in its

operations or towards its direct suppliers under any circumstances. Our partners obliged to comply at least with ILO Conventions No. 138 on the minimum age of 15 for employment and No. 182 on the prohibition of the worst forms of child labour and check the age data of employees and job applicants. Children must not be hindered in their development and education. Persons under the age of 18 are minors and therefore in need of protection (ILO 182). They shall not perform work which, due to its nature or the circumstances in which it is performed, would endanger their safety, health, or morals, e.g. overtime or night shifts (ILO 138). Our partners are obliged to comply with the child labour requirements with its subcontractors and to require them to pass them on as well. Further our business partners must prohibit all forms of forced labour, including, in particular, compulsory labour, bonded labour, slave-like practices, servitude, other forms of domination, oppression, sexual exploitation, humiliation, trafficking in human beings and any other form of modern slavery and work against their abolition (ILO 105). Labor or service which is required of a person under threat of punishment and for which he or she has not volunteered does not take place (ILO 29). No financial burden may be imposed on workers by withholding wages or expenses or charging fees in the recruitment process. The partners shall not restrict the movement of its workers by withholding identity documents or other measures.

- **Land, forest and water rights and forced eviction**

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. We reject all kind of forcible removal (land, forest and water), and we strongly promote respect under all circumstances for the human rights of all parties, especially of indigenous peoples and other minorities. We therefore do not use goods that have been obtained in violation of these rights and this shall apply to our business partners and sub-suppliers as well. To further improve transparency to track and verify the entire supply chain in particular, the Supplier warrants that it shall obligate its subcontractors to the same extent.



#### 4. Our business partners provide fair working conditions

- **Reasonable working hours, overtime, vacation and remuneration**

Every employee is entitled to working hours and vacation that are at least in line with the legal requirements of the country in question. The arrange of overtime is only on a voluntary basis and in line with the legal requirements of the country. Wage levels at

the individual sites are based on regional conditions and comply with or exceed, fixed minimum wages. Wages shall be paid in a traceable manner and at a specified time in accordance with ILO 95. Unauthorized wage deductions and the withholding of wages as a disciplinary measure are prohibited.

- **Safeguarding employment and equal opportunity**

Employees are deployed in accordance with operational requirements, general conditions and personal suitability. Equal opportunity is ensured. Our business partners oblige to protect diversity, equity and inclusion from our business partners.

- **Forbidding discrimination and harassment**

Discrimination and harassment – whether on cultural, ethnic or social origins, national, health status, disability, sexual orientation, age, gender, political opinion, religious or other grounds (ILO 111) – will be unreservedly rejected, pursued and, where appropriate, prosecuted. Our business partners oblige to protect the rights of minorities, women's right and indigenous people.



#### 5. Our business partners ensure requirements are met

- **Quality, product safety, comfort and efficiency**

Our business partners are firmly committed to meeting the requirements for system and process quality, ensuring the health and safety of customers and end users, as well as comfort, cost-effectiveness and the durability of products.

- **Health protection and occupational safety, fire safety and emergency evacuations**

Our business partners understand occupational health and safety as a management task. They are committed to providing appropriate safe and healthy working conditions to prevent work-related injuries and illnesses and to eliminating hazards and minimizing safety and health risks. They do not assign their employees to work that may endanger their health, safety or morale. Our business partners reject the commission or use private or public security forces to protect the business project if, due to a lack of training or control on the part of the company, the deployment of the security forces may lead to violations of human rights. Health and safety awareness is promoted among employees. A fire alarm and fire protection system are in place and continuously maintained. Evacuation drills are conducted annually.

- **Environmental sustainability and energy efficiency**

Our business partners purchase resource and energy efficient products, use resources such as water and energy sparingly, ensure the safety of chemical inputs which includes trainings, storage, waste or identification of materials, protect biodiversity, are aware of the noise emissions and proactively reduce emissions and other environmental impacts throughout the life cycle, to achieve, among other things, good quality in both manufacturing and usage. Our business partners avoid waste wherever possible and promote the reusability and recycling of products. To contribute to decarbonization our business partners implement measures to reduce CO<sub>2</sub>e emissions.

- **Data privacy and information security**

Our business partners are committed to information security and take appropriate organisational and technical security measures, based on the state of the art to ensure the protection of confidentiality, integrity and availability of information. They handle data sensitively and guarantee the confidentiality of all exchanges of data and information to and with the bader group, subcontractors, customers, business partners, employees, colleagues and contacts.



## 6. Our business partners aim for continuous improvement in all areas

- **Continuous improvement as being an impulse for action**

The aim is to constantly improve our products, processes, production facilities and organization and to take measures to continuously improve quality, environmental and energy-related performance as well as health and safety at work. Corrective, preventative and improvement measures are consistently implemented to avoid errors, risks and root causes. Goals are systematically defined and pursued.

- **Management systems are consistently applied**

Management systems are applied to ensure the various requirements are met and the continuous improvement in all phases of product planning, manufacture and usage.

- **Code of Conduct compliance**

The business partner undertakes to observe and implement the regulations defined in this Code of Conduct. Bader reserves the right to verify compliance with the Code of Conduct if deemed necessary. Non-compliance with legal regulations, recognized standards or this Code of Conduct, constitutes a breach of contract. If this non-

compliance is not remedied by appropriate measures within a reasonable period of time, BADER reserves the right to terminate the business relationship. This code of conduct must be followed by our business partners, following the policies that our company specifies above. Furthermore, our business partners ensure to transfer this information and documentation to their supply chain for compliance.

**In the case of suspicion of possible violations, or in the case of concrete violations of the rules of conduct described, please contact us confidentially, and if you wish, anonymously via our complaints reporting system, which is maintained by our data protection service partner Hubit.**

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**Date, Business Partner**