

ANTI-CORRUPTION POLICY

„BALMA” SA Furniture Factory

Introduction

We declare that, as a socially responsible company, we do not accept any actions of a corrupt nature, as they are contrary to our values and our adopted Code of Conduct.

We enforce a zero-tolerance policy towards corruption in all aspects of our business activities. This policy applies to all of us, as well as to our business partners acting on our behalf.

Management is obliged to play a key role in creating an organisational culture in which corruption in any form is not accepted.

The Anti-Corruption Policy is widely available and communicated both internally and externally within our company.

Objective

The objective of the Anti-Corruption Policy of Fabryka Mebli “BALMA” SA is to provide all stakeholders, including employees and business partners, with access to a clear set of principles that must be followed in all business activities.

The policy is consistent with the existing Code of Conduct and serves as an extension in the area of condemning and combating corruption in business.

It is the responsibility of each stakeholder to become familiar with the laws and principles related to both the phenomenon of corruption and bribery, as well as the methods of combating them.

Definition of Corruption and Bribery

Corruption is the act of demanding, offering, giving, or accepting, directly or indirectly, a bribe or any other undue advantage or promise thereof, which distorts the proper performance of any duty or behaviour expected of the person receiving the bribe, undue advantage, or promise.

Corruption-related offences are defined in universally applicable legal regulations, including, among others, the Penal Code and the Act on the Central Anti-Corruption Bureau of 9 June 2006.

Under the Anti-Corruption Policy, corruption particularly includes bribery and the laundering of proceeds derived from such practices.

Bribery involves offering, promising, or giving (active form), as well as soliciting, demanding, agreeing to receive a bribe, i.e., accepting bribes (passive form), in any form or of any value, which may be considered an instance of inducing bribery (active or passive), and is against accepted standards of conduct, illegal, corrupt, unethical, or in violation of the law.

Influence peddling/trading in influence involves claiming to have influence in an institution that controls public funds or convincing someone else of the existence of such influence, by offering (active influence peddling) or seeking (passive

influence peddling) to mediate in resolving a matter in exchange for a financial or personal benefit (e.g., securing a job, contract, financial support) or the promise thereof.

Fundamental Principles of the Anti-Corruption Policy

Transparency in Corporate Governance

We are committed to openness and transparency in our activities, which enables our stakeholders to view us as a responsible and trustworthy company.

We act in compliance with applicable laws and regulations.

In accordance with our Policy, actions such as bribery, extortion, or incitement to corruption, influence peddling, and laundering of proceeds from corrupt activities are strictly prohibited, whether these actions are direct or indirect. This applies to all stakeholders of Fabryka Mebli “BALMA” SA.

Anyone who, in good faith, reports a suspected abuse or refuses to participate in acts of corruption or influence peddling is afforded special protection by company management and will not face negative consequences for their decision.

Compliance with Applicable Laws and International Conventions

In most countries, including Poland, acts of bribery or attempts at bribery are considered criminal offences, punishable by significant sanctions such as fines, restrictions of liberty, or even imprisonment. These penalties apply to companies, their employees, and associates. Some of these regulations are international instruments with universal reach, aimed at combating bribery and corruption in both public and private sectors.

Therefore, Fabryka Mebli “BALMA” SA undertakes appropriate communication and informational actions towards its employees and other stakeholders.

Areas of Corruption Risk (Corruption Threats)

Small gifts and invitations to events, based on established customs, can support the process of establishing, maintaining, and developing important business relationships. Our intention is for employees and associates not to feel exposed to accusations of maintaining business relationships through behaviours that are inconsistent with applicable norms and regulations in such situations. While such actions may appear superficially similar to corruption and influence peddling, they do not constitute a crime when no other service or benefit from another person or institution is contingent upon the giving of a small gift.

However, giving or receiving valuable gifts, or making the provision of a specific service conditional on receiving such gifts, is entirely different. Such conduct can be unethical and immoral, and may even constitute a crime under the law. It could expose employees, associates, and our company to allegations of violating laws concerning corruption or influence peddling.

Therefore, every employee and associate is obliged to ensure that their actions comply with the Code of Conduct and the anti-corruption principles in place at Fabryka Mebli “BALMA” SA. If there are any doubts about assessing a current or potential situation, they should provide relevant information to company management.

Examples of Actions We Consider Unacceptable

- giving, promising to give, offering, or soliciting a reward in the form of payment, valuable gifts, trips, invitations, or other benefits to achieve a specific business advantage or as a thank you for obtaining a business advantage,
- accepting valuable gifts, trips, invitations, or other benefits, or the promise of receiving them, from third parties.

We do not accept or give bribes (financial rewards that are not legal compensation or payment for mutual services). Such rewards typically involve cash payments or valuable items intended to secure or expedite routine actions by stakeholders.

If you are asked to make a payment on behalf of Fabryka Mebli “BALMA” SA, you must be aware of what the payment is for and whether the requested amount is appropriate for the value of the goods or services. Payments should be based on various types of official accounting documents, such as an invoice, pro forma invoice, or purchase order.

Measures to Prevent Corruption and Influence Peddling

Raising Awareness and Training

The Anti-Corruption Policy is communicated both within the internal structure of our company and externally to our associates, contractors, customers, and other third parties.

Fabryka Mebli “BALMA” SA undertakes initiatives to raise awareness among employees most exposed to the risk of corruption, regardless of their position.

Fabryka Mebli “BALMA” SA provides its employees with appropriate guidelines to identify and prevent the risk of corruption in relationships with business partners.

Seeking Advice and Information

If you are unsure how to act in a situation involving the risk of corruption or influence peddling, you should contact your supervisor.

It is our duty, as well as the duty of those who work under our supervision, to prevent, detect, and report instances of bribery, other forms of corruption, and cases of influence peddling.

All employees of Fabryka Mebli “BALMA” SA are obligated to avoid any actions that could lead to a violation of this principle.

If you suspect that such a violation has occurred or may occur in the future, you should report it as soon as possible using the designated channel.

Record Keeping, Transparency, and Control Procedures

The procedures of Fabryka Mebli “BALMA” SA, which ensure the integrity of accounting books and records, guarantee that financial reports cannot be used to conceal acts of corruption or influence peddling.

All books, invoices, notes, and other documents related to transactions with third parties, such as customers, suppliers, and other business partners, must be prepared, stored, and controlled to the highest level of accuracy and completeness. Additionally, they are subject to mandatory and periodic review by external entities obligated to report any irregularities related to corruption or influence peddling to government authorities.

Any employee or other representative of Fabryka Mebli “BALMA” SA making a payment on behalf of the company must always be aware of the purpose of the payment and assess whether it is proportional to the product or service. It is the employee's responsibility to obtain a receipt or invoice each time, specifying the reason for the payment. If there are any doubts or questions regarding payments, the employee should consult their supervisor, the head of the HR, payroll, and administration department, or directly with the CEO.

Employee Responsibility

Non-compliance with the principles outlined in the Anti-Corruption Policy of Fabryka Mebli “BALMA” SA constitutes a breach of employee duties and may result in disciplinary action under the Workplace Regulations and criminal liability under applicable laws.

Conflict of Interest

Fabryka Mebli “BALMA” SA implements procedures to identify, prevent, and manage conflicts of interest.

Management of the Anti-Corruption Policy

The Management Board of Fabryka Mebli “BALMA” SA is responsible for ensuring that the Anti-Corruption Policy complies with the legal system, best practices, and accepted business ethics standards, as well as for ensuring that employees adhere to the provisions of the Policy. To this end, the Management Board reviews the effectiveness of anti-corruption measures at least once a year.

Whistleblowing Mechanism

Suspected violations of the Anti-Corruption Policy or other laws can be reported through the same channel used for reporting any unethical conduct: zglos@balma.pl, and if necessary, directly to the CEO.

Employees of Fabryka Mebli “BALMA” SA, acting in good faith, can report their concerns or seek advice if they suspect violations of the Anti-Corruption Policy or other laws, without fear of retaliation, discrimination, or disciplinary action.

Reports are treated confidentially and investigated with due diligence. Reports made in bad faith, such as to falsely accuse others, may expose the author to disciplinary action and legal sanctions.

Information that could identify the whistleblower can only be disclosed with their consent, unless it is disclosed at the request of an authorised body acting under legal regulations, particularly at the request of a court or prosecutor.

Anonymous reports will not be considered.

Information that could identify the individual named in the report may be disclosed only when the report is found to be valid, unless it is disclosed at the request of an authorised body acting under legal regulations, particularly at the request of a court or prosecutor.