

HUMAN RIGHTS RESPECT POLICY

„BALMA” SA Furniture Factory

§ 1. Purpose and Sources

1. Fabryka Mebli “BALMA” S.A. (hereinafter referred to as “BALMA” or the “Company”) regards human rights as a fundamental value in its operations and considers their protection, promotion, and respect as its duty. BALMA acknowledges the inherent dignity and the equal and inalienable rights of all people. The aim of promoting and universally observing the rights outlined in this policy is crucial for its sustainable development.

This policy is based on the principles set out in the:

- Universal Declaration of Human Rights of 1948,
- International Covenant on Civil and Political Rights of 1966,
- International Covenant on Economic, Social and Cultural Rights of 1966,

which together constitute the International Bill of Human Rights,

- Declaration of the International Labour Organization on Fundamental Principles and Rights at Work.

2. The purpose of this policy is to promote, prevent, and protect human rights in connection with the Company’s operations, products, or services offered. BALMA ensures the achievement of these objectives through the implementation of a training system, conducting periodic reviews, and taking corrective actions.

§ 2. Scope of Regulation

1. BALMA is committed to respecting the human rights of its employees and ensuring their compliance. Every employee of the Company, regardless of the form of employment, position held, or function performed (hereinafter collectively referred to as “Employees”), is obligated to familiarize themselves with this policy, adhere to its principles while performing their work or fulfilling a specific role, and report any violations.

2. BALMA strives to respect and promote human rights in its relationships with key subcontractors, suppliers, and other contractors (hereinafter: “Business Partners”). It also expects these entities to comply with the principles outlined in this policy, especially those Business Partners with whom it has established contractual relationships and who have adopted the Company’s Supplier Code of Conduct. BALMA emphasizes raising awareness among its Business Partners about the necessity of universal protection and respect for human rights.

§ 3. Principles

The Human Rights Respect Policy is based on the following principles:

1. Respect for Personal Dignity

BALMA is committed to ensuring that every Employee and job candidate is treated with respect for their personal dignity and private life. BALMA strives to ensure that no Employee is subjected to arbitrary or unlawful interference with

their private or family life, or correspondence. BALMA does not accept attitudes or actions that infringe upon the personal rights of Employees, particularly those that insult their honour or good name. BALMA does not tolerate any hostile behaviours, including intimidation or harassment, or any behaviour that constitutes bullying or harassment.

2. Promoting Diversity and Counteracting Discrimination

BALMA values and respects the diversity of its Employees, recognizing it as a source of growth and tangible benefits. BALMA requires senior management to be skilled in managing diverse teams, to accept the different identities of Employees, and to leverage the wealth of diversity in terms of experiences, knowledge, skills, personality traits, and aptitudes. BALMA believes that creating diverse teams fosters the development of new ideas, the implementation of innovative solutions, and the overcoming of challenges.

BALMA implements a policy of equal treatment in employment, aiming to create a work environment free from discrimination. The Company prohibits discrimination based on any differences such as race, gender, sexual orientation, age, appearance, religion, ethnic, national, or social origin, economic status, beliefs, including political beliefs, disabilities, pregnancy, or other circumstances, whether resulting from deliberate and organized actions (direct discrimination) or actions that have discriminatory consequences (indirect discrimination). BALMA undertakes initiatives to raise Employee awareness of issues related to discrimination and bullying and to ensure the proper and free flow of information. BALMA strives to provide every Employee with equal opportunities for professional development and qualifications, equal access to training and promotion, and to hire and promote the most qualified individuals for specific positions. Employee performance evaluations are based on objective criteria. BALMA values professionalism, experience, competence, and work results.

3. Promoting Safe and Hygienic Working Conditions

Given the Company's business profile, the health and safety of Employees is a priority for BALMA. To minimize the risk of accidents, especially fatal accidents, injuries, and other health hazards, BALMA provides safe and hygienic working conditions in accordance with mandatory legal regulations and the Company's internal policies and standards. BALMA strives to continuously raise awareness and engagement among Employees, suppliers, and subcontractors regarding safe and hygienic working conditions. Together with Employees, BALMA works to improve working conditions, identify potential threats to life and health, and takes all necessary measures to eliminate and warn against situations that could endanger the lives and health of people.

4. Decent Working Conditions and Remuneration

BALMA complies with all applicable laws and internal regulations regarding employment, including those related to working hours and overtime, respecting Employees' rights to paid leave and rest. BALMA operates in full compliance with

wage laws. The Company establishes salary and bonus systems based on objective criteria set out in internal regulations.

5. Freedom of Association and Social Dialogue

BALMA respects and supports the right of its Employees to form and join trade unions, under the conditions specified in the statutes of those unions. BALMA remains open to conducting constructive social dialogue in good faith to protect the interests of both parties involved in the dialogue.

6. Elimination of All Forms of Slavery and Forced Labour

BALMA opposes any form of slavery and the use of forced labour, understood as work or services demanded from any person under threat and which the person has not volunteered to do. In its relationships with Business Partners, BALMA requires cooperation in a manner that ensures the elimination of such illegal practices.

7. Abolition of Child Labour

BALMA opposes the use of child labour, believing that children should be afforded special protection and support, especially against economic exploitation and work that is hazardous to their health and development. BALMA allows for the employment of young workers under conditions that comply with applicable laws and internal regulations based on those laws, provided their health, safety, and morality are protected and that it contributes to their education or vocational training.

§ 4. Reporting Violations Procedure and Training Obligation

1. The Company has a Management Board responsible for ensuring that Employees comply with the Company's ethical regulations, including the Human Rights Respect Policy. Any Employee who is aware of a violation of the principles of this policy should report it to their supervisor, a higher-level manager, or a member of the Management Board.

2. An Employee may report a violation by:

- arranging a direct meeting by agreeing on the time and place in advance,
- sending an email to the dedicated address: zglos@balma.pl,
- sending a letter to the following address:

Fabryka Mebli „BALMA” S.A. (Zarząd)
ul. Poznańska 167
62-080 Tarnowo Podgórne

3. The Management Board or a team or individual appointed by the Management Board will investigate each case individually, maintaining confidentiality, impartiality, and striving to ensure the anonymity of those reporting in good faith.

After conducting the investigation, the Management Board evaluates the reported case and informs the relevant parties or the appropriate division director of the results of the investigation.

4. Employees who have committed violations will face appropriate corrective or disciplinary measures, considering the principle of proportionality. These measures may include a warning, reprimand, or, in extreme cases, termination of employment without notice due to the Employee's fault. BALMA does not tolerate any retaliatory or repressive actions against Employees who have reported in good faith; such actions will be treated as violations of this policy.

§ 5. Final Provisions

The content of this policy is made available to Employees and is permanently accessible on the Company's server. For Employees whose work does not involve access to the server, the manager of the respective organisational unit to which such an Employee is subordinate is obliged to acquaint the Employee with this policy within 30 days of its implementation.