

balma

# Sustainability Report

2024



# Table of Contents

## Introduction

Letter from the CEO	4
About the Report	5
Who We Are	6
Our Values	7
Impact Power	8

## Balma and the Environment

Environmental Practices	10
-------------------------	----

## Society

Labour Practices	20
Consumer Issues	26
Partnerships for Sustainable Development	31
Fair Operating Practices	33
Social Engagement and Local Community Development	34

## Management and Work Culture

Practices in: Organisational Governance	37
Practices in: Human Rights	39

## ESG Strategy

Sustainable Development	41
-------------------------	----

# Introduction

Letter from the CEO	4
About the Report	5
Who We Are	6
Our Values	7
Impact Power	8

# Letter from the CEO

Dear All,

Our goal is to create space for development. We understand development in a multidimensional way: as unlocking and supporting the potential of our employees and collaborators, designing and manufacturing furniture that provides a friendly space for work and life, as well as developing our factory sustainably, with respect for people's rights and needs and for the natural environment.

We are supported in this by the Integrated Management System based on ISO 9001 and ISO 14001 standards, which is continuously improved and adapted to current market requirements.

In 2024, as in previous years, we engaged in various ESG initiatives. In 2023, I decided to adopt a process-based approach to sustainability. The first step was to identify our existing

initiatives and group them according to ISO 26000 guidelines, which resulted in Balma's first-ever Sustainability Report. The next stage was the development of an ESG strategy and related documentation, including a range of policies and codes of conduct.

In 2024, we consistently implemented the assumptions of our ESG strategy for 2024–2026. We intend to continue introducing innovative technologies and solutions that not only ensure our operations comply with Polish and international law, but also allow us to create a safe and healthy environment for all our stakeholders. We remain committed to reducing the volume of generated waste and limiting pollution, including CO2 emissions. We will continue to carefully select raw materials and components for our furniture production to provide our customers with

a high-quality product, designed and manufactured in a sustainable manner. We will also remain actively engaged in the development and safety of our employees, as well as in the life of the local community in which we operate.

This report collects and presents our actions to date in the environmental, social, and corporate governance areas, using a classification consistent with the CSRD directive, selected ESRS indicators, and ISO 26000. We treat them as good practices that we aim to further develop.

I invite you to read on!



**Michał Balcerkiewicz**  
CEO Balma



# About the Report

**This document is the second Sustainability Report of our organization, covering the activities carried out in 2024. The report has been prepared in accordance with the requirements of the CSRD Directive, selected indicators of the European Sustainability Reporting Standards (ESRS), and with reference to the ISO 26000 guidelines.**

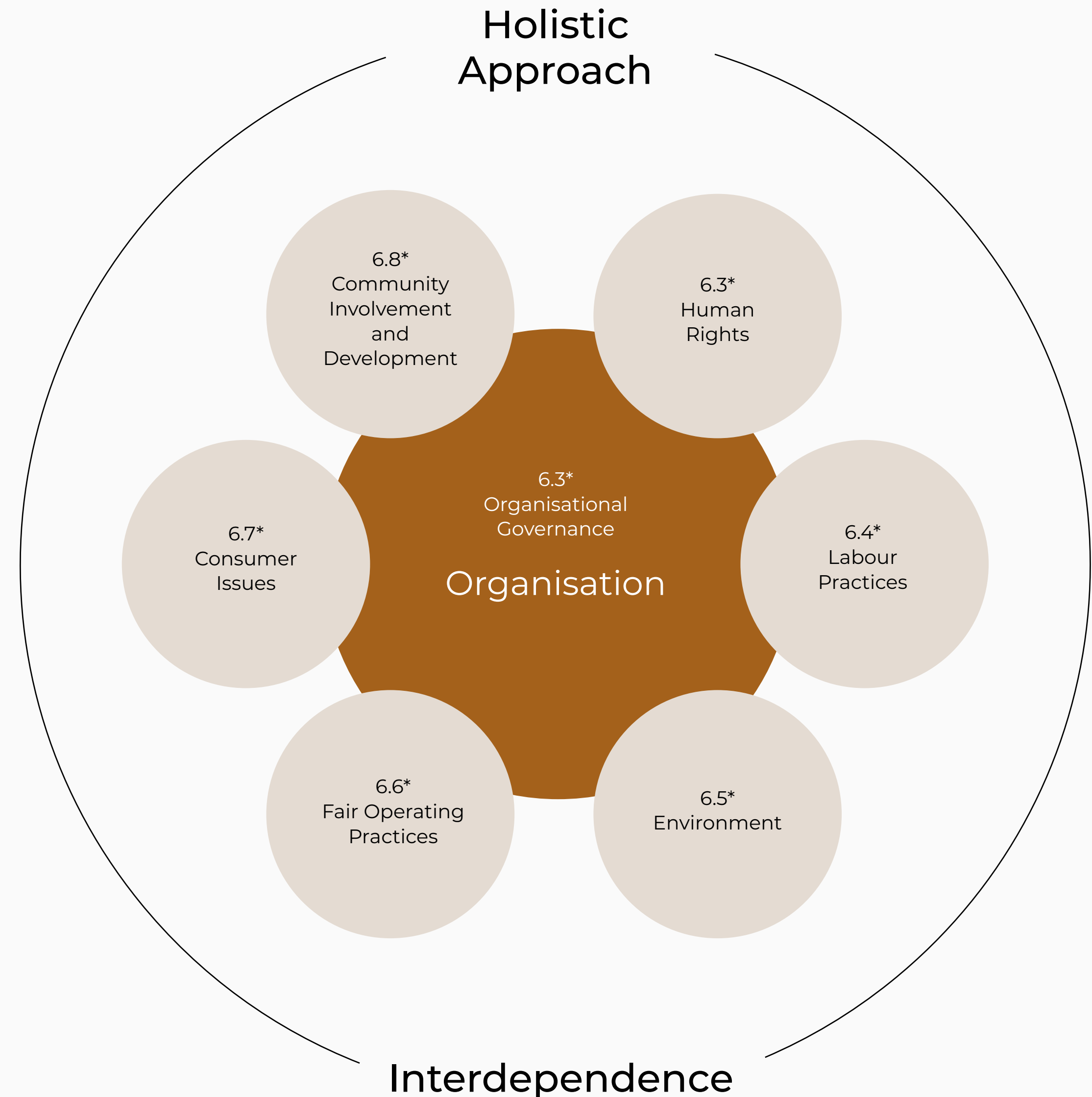
Within the report, we have structured our existing initiatives into seven key areas of social responsibility in line with ISO 26000: organizational governance, human rights, labor practices, environmental protection, fair operating practices, consumer responsibility, and community involvement and development.

The reporting process was preceded by a materiality assessment involving Balma’s management team. This enabled us to identify key and significant stakeholders—both from the perspective of our impact on them and their importance to the company’s operations. As a result, we were able to precisely define strategic priorities for 2024–2026.

The ESG strategy for this period was built on stakeholder dialogue, market trend analysis,

and the most important environmental and social challenges. It also incorporates the results of the employee and distributor satisfaction and engagement survey conducted at the turn of 2023 and 2024. As part of the strategy, we focus on achieving six of the United Nations Sustainable Development Goals (Goals 4, 8, 9, 12, 13, and 17), which remain aligned with Balma’s long-term business strategy.

We hope that the initiatives presented, along with our strategic plans, will contribute not only to the further development of our organization but will also serve as an inspiration for sharing best practices in the spirit of the 2030 Agenda adopted by the United Nations.



# Who We Are

**For over 40 years, we have been designing and manufacturing office furniture, responding to the evolving needs of work environments. Thanks to our experience and industry knowledge, we create solutions that support efficiency, comfort, and regeneration in modern offices.**

## Industry Experts

We build customer trust through our ability to accurately recognize and define their needs. This approach has allowed us to establish a strong position in the industry as a manufacturer of furniture that supports both productivity and workplace comfort. Our designs go far beyond mere furnishings—they are tools that shape relationships, enhance focus, and create spaces for relaxation.

## Responsibility on Many Levels

Balma stands for responsibility, aesthetics, and functionality. In our design process, we are guided by the principles of sustainable development and strive to create products that combine timeless design with innovation. Our design, engineering, and research teams work together to set new standards of quality and durability while caring for the environment and the well-being of users.

## Partnership in Creating Workspaces

We treat relationships with our clients as long-term partnerships based on trust and mutual understanding. Building on real needs, we deliver tailored furniture solutions and support our partners in planning and executing office projects. Our consulting approach takes into account not only functionality and aesthetics but also ergonomics and user comfort.

## People First

At the heart of our activities is the individual—their needs, development, and safety. We engage with the local community and support vocational education for young people. As co-initiators of the Technical School Complex in Tarnowo Podgórze, we actively contribute to training future specialists in carpentry. Students gain practical experience in our factory, and many of them join our team after completing their education.

85 932

Production Volume: pieces of furniture produced in 2024

137 000 m<sup>2</sup>

Material Usage: the average annual amount of boards used 2024

13 000 m<sup>2</sup>

Factory Size: area covered by Balma Furniture Factory



# Our Values

## Thoroughness and accuracy

It is thoroughness and accuracy that determine how we view ourselves, how we feel about what we do and how we act. These two qualities affect our abilities to design and manufacture furniture. We have the necessary expertise, the right skills and the right attitude.

Thoroughness signifies being professional at what one does. It refers to possessing the knowledge of design and production methodologies and to being able to apply this vast knowledge and adjusting it to the given circumstances when needed.

Accuracy signifies being able to use the explicit knowledge of reflecting on action. That relies on critical analysis of the state of knowledge and the assessment of its applications based on numerous criteria (such as cognitive, aesthetic, ethical, legal, technical, usage, and others.)

Our thorough and accurate design results from the thoughts and considerations we each time put into the whole designing process.

## Awareness and commitment

Awareness and commitment influence the way people treat others. We should be sensitive and we should show empathy. We should be involved. We should be motivated to create. We should be encouraging development. We should be supportive when it comes to acting.

The goal ahead of us is to create a world in which all inhabitants can easily find out who they are - the world in which everyone will feel good. This will be possible if people are allowed to live in the world of their choices, of their own values, and in the world where they are surrounded with important and valuable things. This world will also be a place in which people will be able to go beyond themselves. It will be the world which will offer them numerous opportunities; the world which will be built of the things which give them hope, confidence and a feeling of security, and which will make them happy.

Designing has a vital role to play. After all, interiors and outdoor spaces are created for real people – made of flesh and blood. That is why, designing has to go hand in hand with real life, real life problems, people's dreams and expectations. That attitude calls for empathy which translates into feeling, imagination, patience and understanding.

## Innovation and inclusion

In our opinion, innovation and inclusion are inseparable. They determine our approach toward the future.

We want the things we create to last long, to mean something and to influence people and the way they perceive things and their surroundings.

In order to achieve it, a designing process has to be rooted in life. On the one hand, it has to refer to the life which has passed but which has left a legacy for the future generations. On the other hand, designing needs to keep up with the present life which is dynamically changing. The designing process should not only reflect the life of real people and real situations, but also their dreams.

A designing process should make use of the past, history and traditions. At the same time, it should appeal to contemporary people. The process should also embrace tomorrow as tomorrow is actually today in design.

A successful designing process needs open dialogue and collaboration. It needs learning from mistakes and drawing conclusions for the future. Finally, it needs listening attentively to present-day opinions and sharing the responsibility for the future generations.



# Impact Power

## Stakeholders

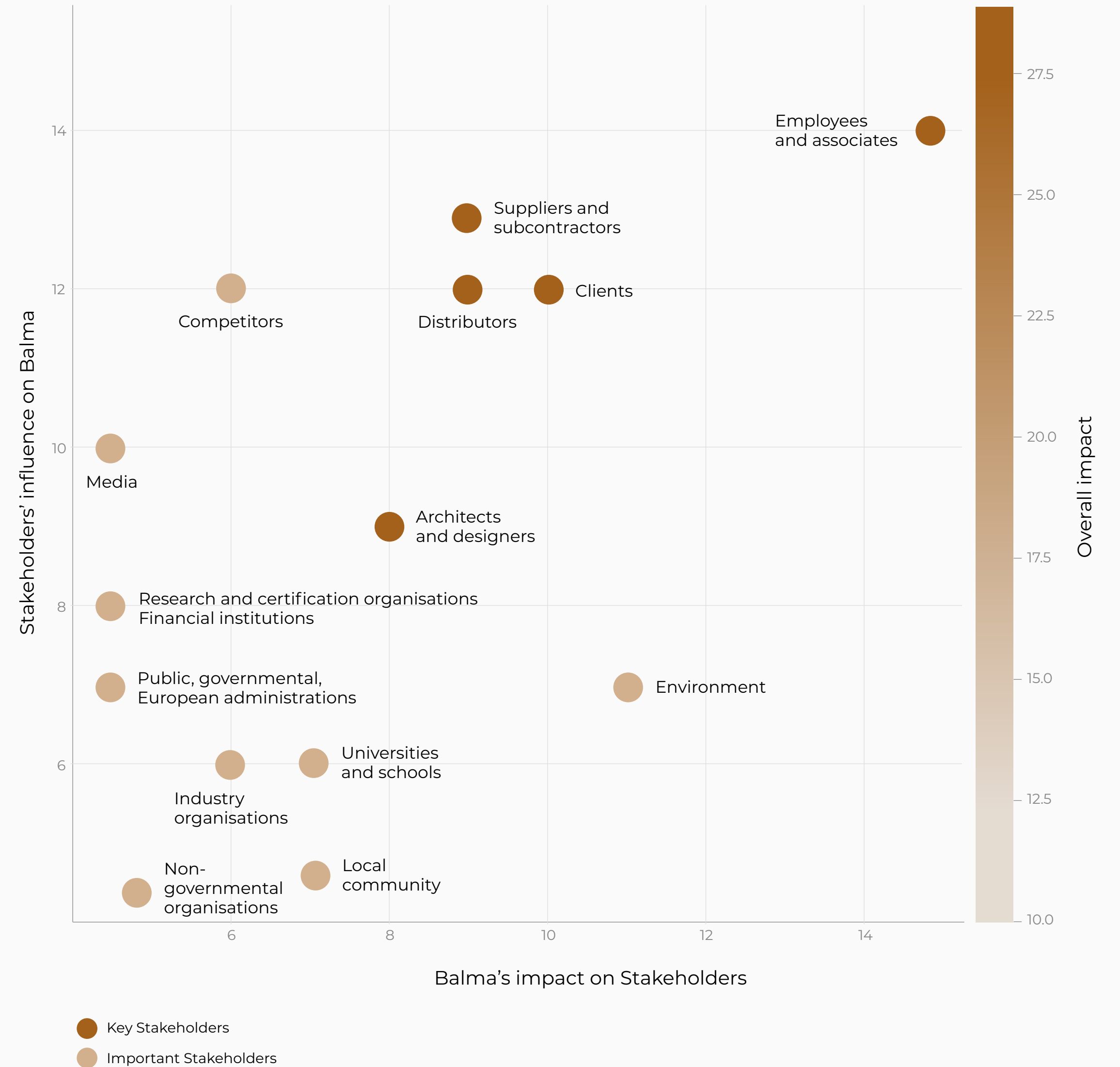
Active consideration of stakeholder expectations is the foundation of the company's responsible growth. In line with ISO 26000, stakeholders are a key element of social responsibility, and cooperation with them is one of the seven fundamental principles of running a sustainable business.

Based on a survey conducted among Balma's management team, the strength of mutual relationships was assessed—both the organization's influence on stakeholders and their impact on the company's operations. The results made it possible to identify the groups that are most important for the company's development, as well as those whose expectations require systematic monitoring and dialogue.

Balma's key stakeholders include employees, clients, suppliers and subcontractors

(including assemblers and service technicians), as well as distributors, architects, and designers. Their role is particularly significant, as they have the greatest impact on product quality, the company's competitiveness, and its market relationships.

At the same time, a group of significant stakeholders was also identified, including the natural environment, the local community, competitors, universities and schools, industry organizations, research and certification institutions, media, financial institutions, public administration—both governmental and European—as well as non-governmental organizations. Although relations with these groups are less intensive than with key stakeholders, they play an important role in building trust, meeting regulatory requirements, fostering industry collaboration, and contributing to environmental and community initiatives.





# Environmental Practices

**Responsibility for the natural environment is an integral part of our business strategy. This approach motivates us to implement innovative and sustainable solutions that support the long-term development of the organization.**

## Green Energy

At Balma, we are committed to sustainable growth and ecological responsibility, which is why 100% of the energy used in our company comes from renewable sources. We achieve this through two main sources:

- **Photovoltaic installations** installed on the roof of our production hall, with plans for further expansion in the near future;
- **Our energy supplier** – Axpo – from which we purchase 100% renewable electricity. Axpo ensures coverage of our energy demand with guarantees of origin or other certificates confirming its generation from renewable sources.

## Energy-Efficient LED Lighting

In 2024, we continued the process of modernizing lighting across all our facilities, including production halls. To date, we have installed nearly 3,000 energy-efficient light sources, replacing about 75% of the fluorescent lamps previously used throughout the company.

The modernization of lighting has allowed us to achieve significant energy savings, leading to a substantial reduction in operating costs as well as in our carbon footprint. This process will continue in the coming years.



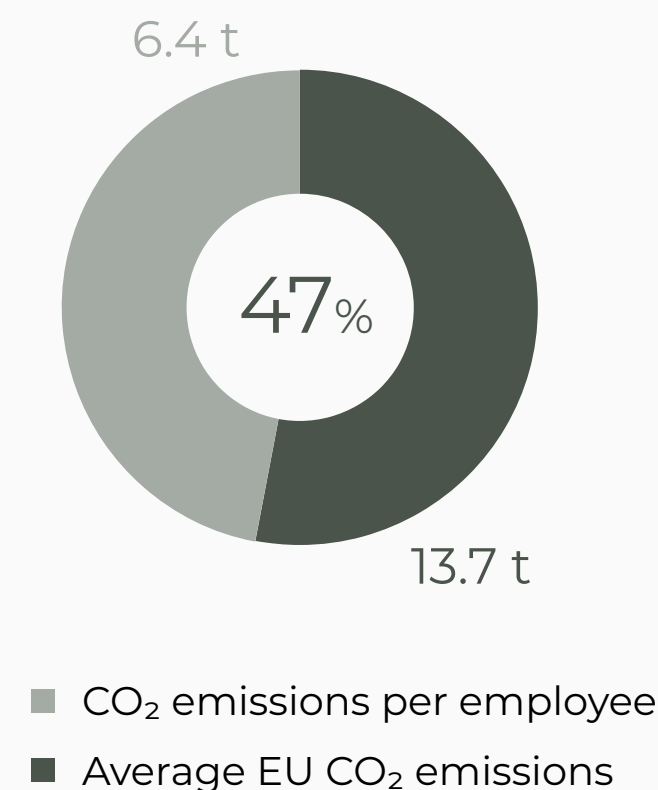
## Carbon Footprint

In the face of growing climate risks, the global priority has become the effective limitation of warming in line with the Paris Agreement and achieving climate neutrality. For this reason, in 2024 we carried out a comprehensive carbon footprint assessment across all scopes (1, 2, and 3), as well as for products from Balma’s key product groups.

Our model of conscious carbon footprint management, along with the implementation of a wide range of large-scale solutions—such as photovoltaic installations, optimization of product packaging systems, the introduction of modern production technologies, and advanced environmental protection devices (including dust collectors and thermal oxidizers for volatile organic compounds)—enabled us to reach a level of CO<sub>2</sub> emissions in 2024, amounting to 1 135 tons. This result includes both direct emissions from the plant and transport, as well as the use of electricity, which in our case comes 100% from renewable sources.

Our partner in calculating the carbon footprint was the Malon Group Advisory and Training Center, currently one of the leading consulting firms on the Polish market.

CO<sub>2</sub> emissions per employee amounted to 6.4 tons, representing 47% of the EU average (13.7 tons).



Results by Scope (tCO <sub>2</sub> e)		
Scope 1	Direct greenhouse gas emissions	1 135,41
Scope 2	Indirect emissions related to energy	-
Scope 3	Other indirect greenhouse gas emissions	5 073,64
	Scope 3 upstream	1 010,03
	Scope 3 downstream	4 063,6
<b>Total</b>		<b>6 209,05</b>
cat 3	Indirect emissions related to transport	1 275,86
cat 4	Indirect emissions related to the use of goods by the organization	1 695,25
cat 5	Indirect emissions related to the use of the organization's products	3 065,37
cat 6	Other indirect emissions	-



Results by Scope [ISO 14064-1:2018 standard] (tCO <sub>2</sub> e)			2024
<b>Scope 1</b>			
1-1	Direct emissions from stationary combustion	cat 4	259,9
1-2	Direct emissions from mobile combustion	cat 3	47,8
1-3	Direct process emissions	cat 4	0,7
<b>Scope 2</b>			
2-1	Indirect emissions from purchased electricity	cat 4	0
2-2	Indirect emissions from other purchased forms of energy	cat 4	0
<b>Scope 3 Upstream</b>			
3-1	Purchased goods and services	cat 4	607,7
3-2	Capital goods	cat 4	-
3-3	Fuel- and energy-related activities	cat 4	-
3-4	Transport and distribution (upstream)	cat 3	157,5
3-5	Waste generated in operations	cat 6	172,6
3-6	Business travel	cat 3	-
3-7	Employee commuting	cat 3	72,3
3-8	Leased assets (upstream)	cat 4	-
<b>Scope 3 Downstream</b>			
3-9	Transport and distribution (downstream)	cat 3	998,3
3-10	Processing of sold products	cat 5	584,2
3-11	Use of sold products	cat 5	940,9
3-12	End-of-life treatment of sold products	cat 5	1 540,3
3-13	Leased assets (downstream)	cat 6	0
3-14	Franchises	cat 6	0
3-15	Investments	cat 6	0

## Product Carbon Footprint

In addition to reporting the organizational carbon footprint across Scopes 1, 2, and 3, we also calculated emissions for selected, most popular Balma products. The analysis covered tables, desks (including height-adjustable electric desks), cabinets, shelving units, reception counters, acoustic pods, as well as selected complementary elements such as a standing coat rack, a mobile stool, a whiteboard, and a podium.

As part of the analysis, we determined the carbon footprint of products in the cradle-to-gate perspective, i.e., from raw material acquisition to the end of the production process. At the same time, we analyzed the material composition of products. This assessment was based on bills of materials covering all components and packaging. Each element was assigned to one of the main material categories—metal, wood, plastics, and electrical components—based on technical documentation or manufacturer data.

In addition, we assessed recycling potential in line with commonly used recovery processes within the European Union. We distinguished three categories: material

recycling (e.g., metals and certain plastics), energy recovery (e.g., wood), and non-recyclable components, which include electrical or multi-material elements. The results are presented as the percentage share of each category in the total structure of products and their packaging, providing a transparent view of recovery potential.

This analysis allowed us not only to determine the carbon footprint values for individual product groups but also to identify areas with the greatest potential for emission reduction and environmental performance improvement. It represents an important step toward further design and development efforts that support the implementation of our sustainability strategy.

### CO<sub>2</sub> Intensity Indicator

In 2024, for the first time, we calculated CO<sub>2</sub> intensity indicators for selected product groups. The results provide a better understanding of the environmental impact of individual categories and serve as a benchmark for further monitoring and reduction actions.

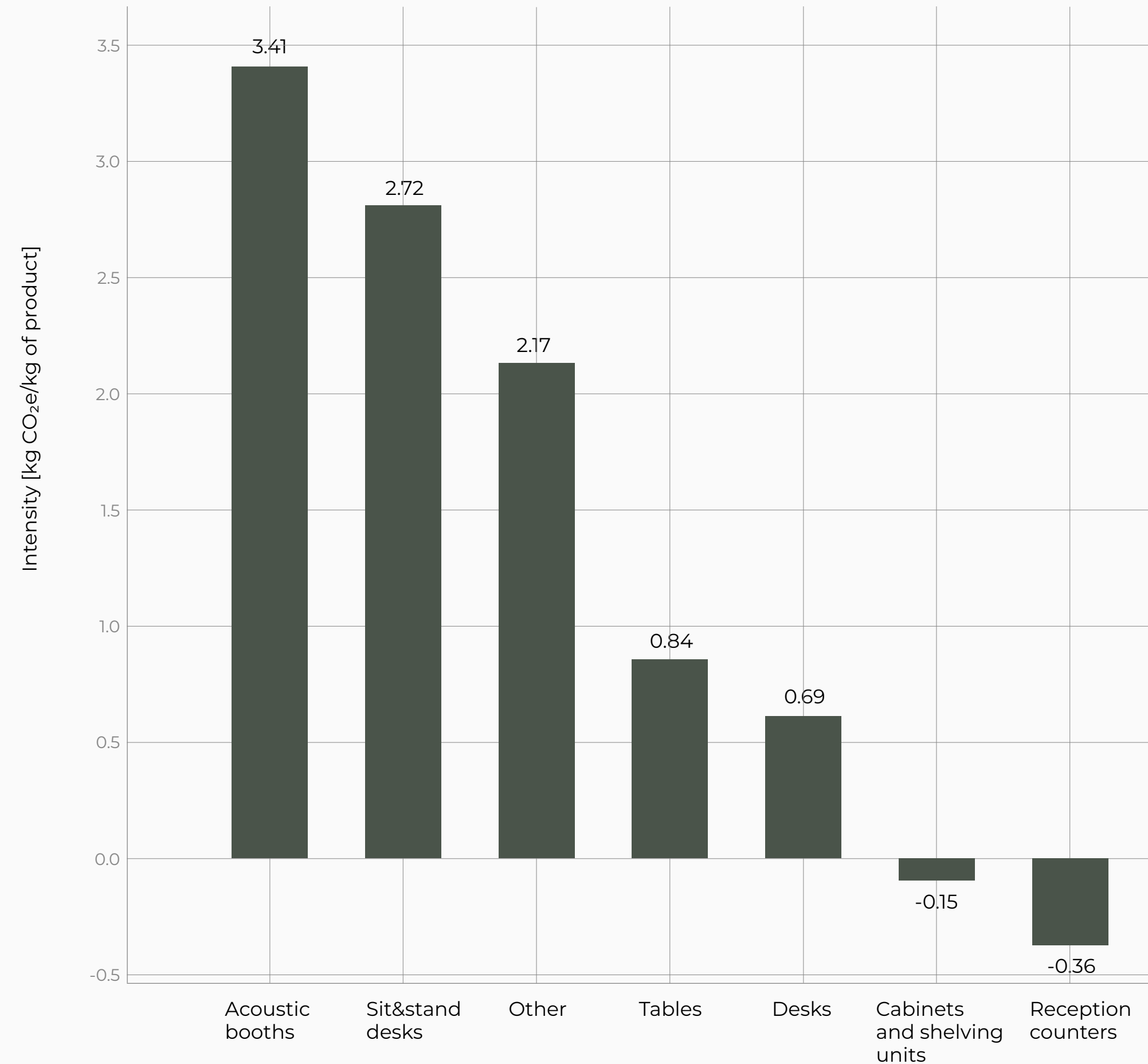


**Average Indicators for Product Groups**

- **Tables** – average intensity: 0.82 kg CO<sub>2</sub>e/kg of product (ranging from 0.25 to 2.10).
- **Desks** – average intensity: 0.69 kg CO<sub>2</sub>e/kg of product, with standard desks showing lower indicators, and electrically height-adjustable desks (ERW) significantly higher – averaging 2.73 kg CO<sub>2</sub>e/kg of product.
- **Reception counters** – average intensity: -0.36 kg CO<sub>2</sub>e/kg of product (the negative value results from the adopted methodology of allocating credits for material recovery).
- **Acoustic booths** – the highest intensity among all groups: an average of 3.41 kg CO<sub>2</sub>e/kg of product, due to the high quantity of materials and the complexity of the construction.

The highest CO<sub>2</sub> emission intensity indicators are recorded for acoustic pods and electrically height-adjustable desks. The lowest values are observed for tables and standard desks, while negative values for reception counters and some cabinets result from the adopted methodology, which includes environmental credits for material recycling.

**Average CO<sub>2</sub> Emission Intensity by Product Group (kg CO<sub>2</sub>e/kg of product)**



The results of the carbon footprint analysis for individual product groups highlight differences arising from the materials used, construction, and manufacturing processes. These data provide a clearer understanding of which design and technological solutions contribute to reducing greenhouse gas emissions.

**Desks**

Desks are an important part of our portfolio, and the cradle-to-gate carbon footprint analysis shows significant variation in results depending on materials and construction.

The most favourable results are achieved by Ostin desks, which, thanks to the use of certified wood, green energy, and technologies limiting VOC emissions, recorded a negative emission balance (-17.78 kg CO<sub>2</sub>e). At the other end of the spectrum are Multibase desks, where the high share of metal materials translates into higher emissions (approx. 39-53 kg CO<sub>2</sub>e). Minimus desks occupy a middle position, with a footprint of just over 20 kg CO<sub>2</sub>e. All models are fully recyclable.

**Sit&stand desks**

Height-adjustable electric desks have a higher cradle-to-gate carbon footprint than traditional desks. This is mainly due to the use of metal frames and electronic components, the production of which is both energy- and emission-intensive.

The values differ depending on size—two-person models generate higher emissions than single-person versions, proportionally to the amount of materials used. Nevertheless, the entire category remains within the typical range for this type of furniture.

**Tables**

Tables form a diverse product group, where cradle-to-gate carbon footprint results vary depending on the collection and structural solutions. The main factors influencing emission levels are the quantity and type of materials used—primarily wood and metal—as well as the dimensions of individual models.

Tables			
Collection	Symbol	Dimensions [cm]	Cradle to gate [kg CO <sub>2</sub> e]
Gravos	V2-02	360x176x76	93,9
Gravos	V2-04	240x125x76	69,0
Minimus	D2-002 NO	220x110x107	41,4
Minimus	D2-007 NO	Ø80x107	38,9
Minimus	D2-102 ND	220x110x107	37,8
Minimus	D2-203 NK	220x110x74	22,8
Minimus	D2-303 NO	220x110x74	13,7
Minimus	D2-403 ND	220x110x74	15,1
H2	H2-01	Ø80x109	56,6
H2	H2-09	200x100x73	82,8
Picnix	UN-90	Ø164x95	60,7

Reception counters			
Collection	Symbol	Dimensions [cm]	Cradle to gate [kg CO <sub>2</sub> e]
Furonto	F2-01	210x85x94	93,9
Tresta	T3-001	200x85x116	69,0

Cabinets and shelving units			
Collection	Symbol	Dimensions [cm]	Cradle to gate [kg CO <sub>2</sub> e]
K2	K2-01	43x60x56,5	11,4
Stepps	R3-A-0101	220x38x38	-20,9
Stepps	R3-A-0111	110,7x38x256,5	2,5
Stepps	R3-A-0115	220x38x119,5	-122,4
Stepps	R3-A-0120	220x40x184	-54,1



**Acoustic booths**

Acoustic booths are characterised by a relatively higher carbon footprint compared with other product groups. In the cradle-to-gate perspective, this results mainly from the high share of metal materials, including aluminium, whose production is energy-intensive and associated with high greenhouse gas emissions. As a result, the stage of raw material extraction and processing accounts for a significant part of the total emission balance of pods.

At the same time, the analysis indicates potential for further improvement of environmental performance—both through increasing the share of recycled materials and

by introducing design solutions that reduce material demand.

**Cabinets and Shelving Units**

Cabinets and shelving units belong to the group with a favourable environmental balance. A container dominated by wood achieved a result of 11.44 kg CO<sub>2</sub>e in the cradle-to-gate perspective.

Very good results were obtained in the Stepps collection, where, thanks to the predominance of wood, some models have very low, or even negative, values (ranging from -122.39 kg CO<sub>2</sub>e to just a few kilogrammes of emissions). Overall, this category is among the most environmentally beneficial in our portfolio.

Desks			
Collection	Symbol	Dimensions [cm]	Cradle to gate [kg CO <sub>2</sub> e]
Multibase	P5-302 P4	160x80x74	39,3
Multibase	P5-102 Mixt	160x80x74	53,0
Minimus	D2-502 NK	160x80x74	27,9
Minimus	D2-503 NK	140x80x74	24,0
Ostin	O3-02	200x100x74	-17,8

Sit&stand desks			
Collection	Symbol	Dimensions [cm]	Cradle to gate [kg CO <sub>2</sub> e]
Sit&stand	C4-01	180x80x	113,7
Sit&stand	C5-02	160x160	261,2
Sit&stand	P4-024	160x160	260,2
Sit&stand	S4-01	160x80	103,2

Acoustic booths			
Collection	Symbol	Dimensions [cm]	Cradle to gate [kg CO <sub>2</sub> e]
Bbox	W3-001	111,5x10x222,5	1165,4
Bbox	W3-002	223x105x222	1995,2

Complementary			
Collection	Symbol	Dimensions [cm]	Cradle to gate [kg CO <sub>2</sub> e]
Unu	UN-056	Ø43,6x180,4	63,7
Pung	UN-73	Ø46,7x52	18,0
Visi	UN-94	94x58x194	74,0
Podium	Z2-02	13x135x108	-24,9



## Innovative Technologies

### Painting Line

In 2024, we operated an automated painting line installation. The updated powder coating preparation and painting technology enabled us to:

- increase efficiency,
- improve the quality of the coated surface,
- reduce paint consumption and dust emissions in the preparation of semi-finished products for painting,
- optimise gas and electricity consumption,
- neutralise process wastewater in the in-house pre-treatment system prior to disposal.

We replaced the traditional phosphating technology with a more environmentally friendly zirconium process, thereby minimising the environmental impact of our operations.

### Press Brake

Thanks to the investment in a modern TRUMPF hydraulic press brake in 2024, we were able to significantly increase the efficiency and precision of our production. Programming, tooling, and sheet metal bending became faster, safer, and more effective, which also allowed us to optimise the consumption of raw materials and energy.

### Responsible Packaging

With sustainability and efficient use of resources in mind, we have undertaken a number of initiatives aimed at reducing packaging material consumption, including optimising packaging design. We also minimise the use of plastic packaging in favour of cardboard.

We have expanded our cardboard packaging machine with an endless board magazine. The purpose of this integration is to select the optimal board width for the current production task, which positively affects the amount of material consumed.

For packing our products, we use cardboard made of 93.5% recycled material, which is itself recyclable. Cardboard offcuts from packaging production are used as fillers for packing products, processed in a dedicated machine.

In addition, our finished goods are packed using three strapping machines. Thanks to straps made from 100% recycled materials, we have significantly reduced the use of adhesive tape previously employed in furniture packaging.



## Optimal Use of Raw Materials

Balma furniture is manufactured from chip-board panels that meet high quality and environmental standards. Among our raw material suppliers are market leaders guided by the principles of sustainable development, including Kronospan, Egger and Woodeco.

The steel we use in furniture production, according to supplier declarations, comes largely from recycling (with the recycled content reaching up to 90%, depending on the supplier) and is suitable for further recycling.

The production planning process is based on the principle of maximising the use of raw materials. Using advanced technologies, our programming team optimises the cutting of boards, sheets and profiles, which helps to reduce material consumption and minimise production waste.

Through these measures, we actively support the development of a more sustainable environment for future generations.

## Environmental Indicators

E1	E1-5		Energy Consumption and Energy Mix	
E1	E1-5	37	Total energy consumption related to own operations	955 104,3 kWh
E1	E1-5	37 a	Total energy consumption from fossil sources	38 206 m <sup>3</sup>
E1	E1-5	37 b	Total energy consumption from nuclear sources	
E1	E1-5	37 c	Total energy consumption from renewable sources	1 000,9 MWh
E1	E1-5	37 c II	Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	962 MWh
E1	E1-5	37 c III	Consumption of self-generated renewable energy without the use of fuel	38 901 kWh
E1	E1-5	38 a	Consumption of coal and coal product fuels	
E1	E1-5	38 b	Consumption of oil and petroleum product fuels	
E1	E1-5	38 c	Consumption of natural gas fuels	
E1	E1-5	38 d	Consumption of fuels from other fossil sources	
E1	E1-5	38 e	Consumption of purchased or acquired electricity, heat, steam or cooling from fossil sources	
E1	E1-5	39	Renewable energy generation	44 782 kWh
<b>E2-4</b>			<b>Air, Water and Soil Pollution</b>	
E2-4	26		The entity discloses pollutants emitted as a result of its own operations, as well as microplastics it produces or uses	
E3	E3-4	28 a	Total Water Consumption	2000 m <sup>3</sup>

## Our Actions in Numbers

Climate change is one of the key global challenges and is also significant from the perspective of our stakeholders. For this reason, it constitutes an important element in determining the company's development directions.

**<10%** emission of volatile organic compounds (VOCs) from the wet paint shop remains below 10% of the permissible value

**80** amount of biomass burned (in tonnes)

**308,33** CO<sub>2</sub> emissions (in tonnes)

**1,3** amount of alternative fuels produced from plastics (in tonnes)

**2,7** amount of alternative fuels produced from powder coating waste (in tonnes)

**1,3** amount of plastic packaging recycled (in tonnes)

**0** number of formal complaints

## Conscious Waste Management

Amount of production waste sent for recycling in 2024 (in tonnes)	
Total Amount of Waste Generated from Own Operations	<b>183,8</b>
Paper and cardboard	<b>37,3</b>
Plastic packaging	<b>1,3</b>
Plastic waste	<b>7,2</b>
Waste paints and varnishes containing organic solvents or other hazardous substances	<b>1,9</b>
Water sludges containing paints and varnishes with organic solvents or other hazardous substances	<b>3,6</b>
Waste powder coatings	<b>2,7</b>
Fly ash from peat and untreated wood	<b>5</b>
Iron particles and dust	<b>77</b>

### Results of the physico-chemical analysis of industrial wastewater

The application of a closed-loop system in the painting process, combined with the pre-treatment installation, makes it possible to significantly reduce the amount of wastewater containing total phosphorus, ammonium nitrogen, nitrate nitrogen and petroleum hydrocarbons – their levels remain well below the permissible standards.

Tested parameter	Permissible standard	Result
Total phosphorus (mg/l)	<b>&lt;= 10</b>	<b>1,5+-20%</b>
Ammonium nitrogen (mg/l)	<b>&lt;= 100</b>	<b>2,5+-29%</b>
Nitrate nitrogen (mg/l)	<b>&lt;= 10</b>	<b>3,3+-41%</b>
Petroleum hydrocarbons (mg/l)	<b>&lt;=15</b>	<b>0,21+-41%</b>

# Society

Labour Practices	20
Employee Satisfaction and Needs	20
Communication	20
Employment	21
Safety	23
Team Integration	24
Team Education	25
Consumer Issues	26
Market and Production	26
Tools for Distributors	26
3D Tools	27
New Products	28
Awards Received in 2024	30
Partnerships for Sustainable Development	31
Fair Operating Practices	33
Quality Confirmed by Certificates	33
Social Engagement and Local Community Development	34
Local Activities	34
Education	35

# Labour Practices

## Employee Satisfaction and Needs

At the turn of 2024 and 2025, we conducted a survey among employees, with participation from 51% of administrative staff and 29% of production staff. The aim of the survey was to determine the level of satisfaction, to understand employees' expectations, and to plan further actions in the area of human capital management.

The results provided valuable insights that will support the Management Board and those responsible for specific areas in making decisions related to the sustainable development of the organisation. Employees most frequently identified Balma's strengths as the quality of products, team atmosphere, colleagues, and the sense of stability and employer responsibility.

The Management Board thoroughly analysed the results and announced the continuation of positively evaluated practices as well as the gradual implementation of suggested improvements.

SI	SI-4	38 d	AR 38-AR 39
SI	SI-4	39	AR 34

## Communication

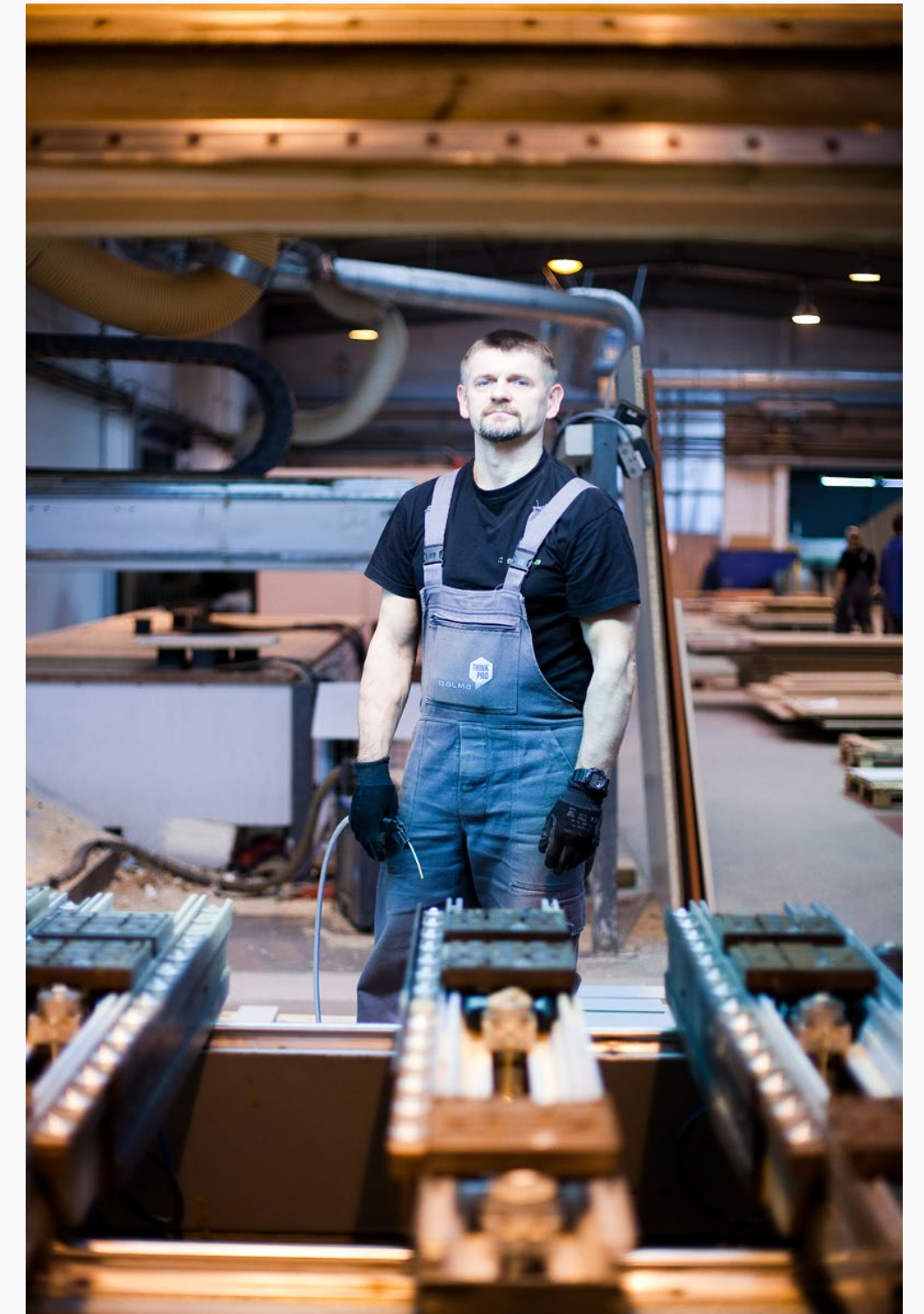
### Employee Portal

In 2024, we launched the Employee Portal. This tool makes it easier for Balma employees to manage their HR matters at any time and from any place. Each employee has individual login details to access the online platform, where they can, among other things: submit holiday requests, check their current holiday entitlement, review records of annual and special leave, sick leave and other absences. In addition, they can view and print their payslips, download their PIT-11 tax information, and access the key documents in force at Balma – including policies, regulations and codes of conduct.

SI	SI-3	32 b	AR 28
SI	SI-3	32 c	

### Employee Matters Box

Wishing to further improve the flow of information in our factory and strengthen the functioning of the Employee Council, at the turn of 2024/2025 we introduced the "Employee Matters Box". We encourage our employees to ask questions and submit any issues, problems, or ideas for change by placing a signed card in the box located in the staff canteen. The submitted matters are discussed with representatives of the Employee Council, supervisors and the Management Board during regular meetings with the Council representatives.



## Employment

As at 31 December 2024, the total number of employees employed under an employment contract was 176, of which 49 were women and 127 were men. The average number of employees in 2024 was 174.

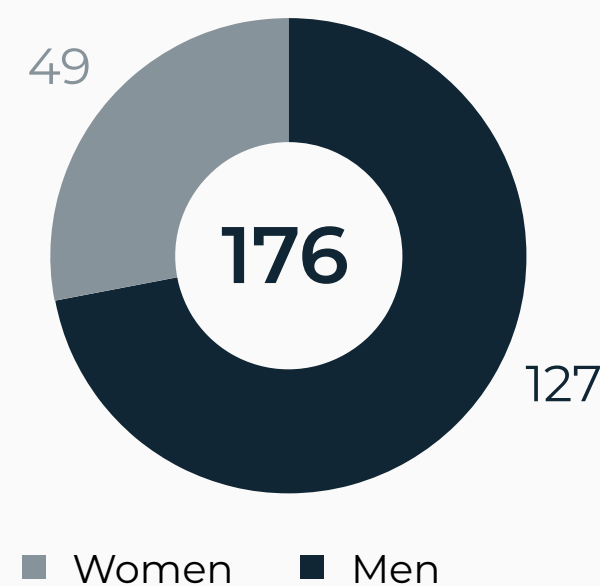
The average length of service at Balma overall was 12.2 years, including:

- administrative staff – 9.8 years
- production staff – 13.8 years

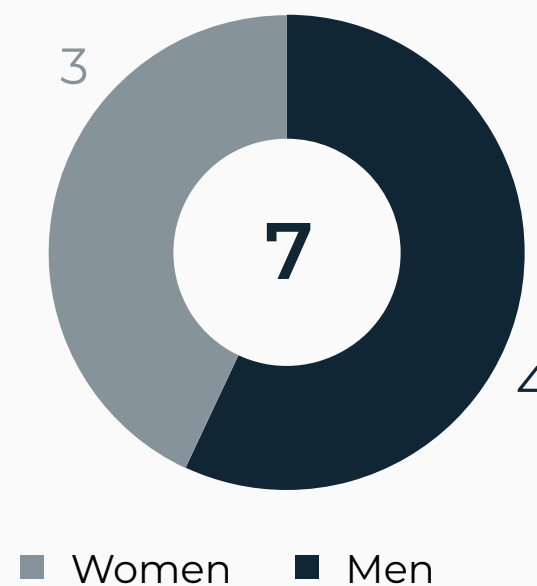
Gender distribution among senior management – 3 women out of a total of 7 people. The management team consists of: the President of the Management Board, Production Director, Sales Director, Marketing Director, Chief Accountant, Head of the Design and Technology Department, and Head of the HR, Payroll and Administration Department.

S1-4	38 c	AR 42
S1	S1-4	38 d AR 38-AR39
S1	S1-4	40 b

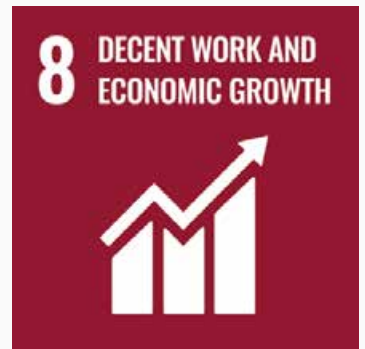
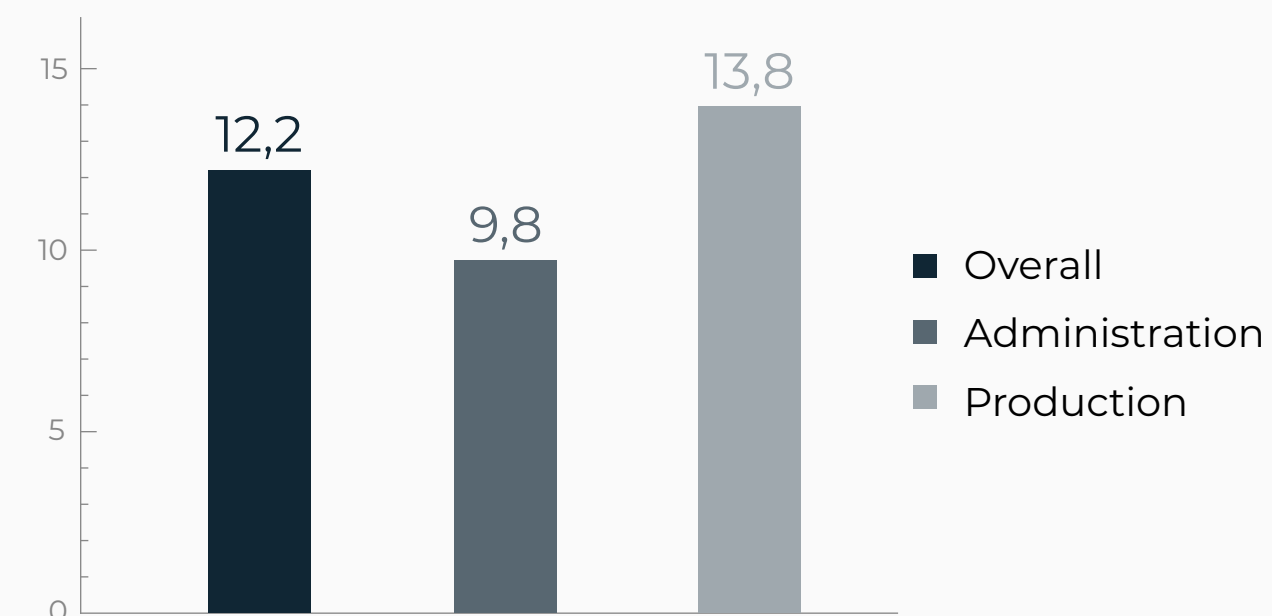
Employees Employed under Employment Contracts



Senior Management



Average Length of Service at Balma



Employee Distribution by Age and Gender

Age group	Total	Women	Men
20 and under	6	0	6
21-25	10	3	7
26-30	12	6	6
31-35	16	7	9
36-40	26	7	19
41-45	23	9	14
46-50	30	8	22
51-55	24	2	22
56-60	15	3	12
61 and over	9	1	8
<b>Total</b>	<b>171</b>	<b>46</b>	<b>125</b>

Additionally, 15 students under the age of 20 from vocational schools.

Other Relevant Employment Indicators in 2024

3	Number of employees with disabilities	6,15%	Sickness absence rate
99,4%	Percentage of employees with full-time employment contracts	17	Total number of employees who left the organisation during the reporting period
0,6%	Percentage of employees with part-time employment contracts	10%	Employee turnover rate
94%	Percentage of employees originating from the local community (Greater Poland Voivodeship)	5	Number of self-employed persons cooperating with Balma
86%	Holiday utilisation rate	78%	Number of employees who took part in the job satisfaction survey

**Indicators with a value of zero in 2024:**

- Number of discrimination cases
- Number of complaints submitted through internal channels by employees to express concerns
- Number of complaints submitted to the OECD National Contact Points for Multinational Enterprises
- Amount of material penalties, fines and compensations for damages resulting from breaches related to social and human rights factors
- Number of serious human rights issues and incidents related to own workforce
- Number of serious human rights issues and incidents related to own workforce that constitute cases of non-compliance with the UN and OECD Guidelines for Multinational Enterprises
- Amount of significant fines, penalties and compensations for serious human rights issues and incidents related to own workforce
- Number of serious human rights issues in which the company played a role in providing remedies for affected individuals



SI	SI-9	66 a
SI	SI-9	66 a
SI	SI-9	66 b
SI	SI-9	66 b
SI	SI-9	66 b
SI	SI-9	66 b
SI	SI-9	66 b
SI	SI-9	66 b
SI	SI-9	AR 71

SI	SI-17	103 a	
SI	SI-17	103 b	AR 103-AR 106
SI	SI-17	103 b	AR 103-AR 106
SI	SI-17	103 c	AR 103-AR 106
SI	SI-17	104 a	AR 103-AR 106
SI	SI-17	104 a	AR 103-AR 106
SI	SI-17	104 b	AR 103-AR 106
SI	SI-17	AR 106	
SI	SI-12	79	
SI	SI-12	80	

SI	SI-6	50 a	
SI	SI-6	50 a	AR 57
SI	SI-6	50 a	AR 57
SI	SI-6	50 b	
SI	SI-6	51	
SI	SI-6	50 c	AR 59
SI	SI-6	50 c	

## Safety

In 2024, in cooperation with the Volunteer Fire Brigade from Tarnowo Podgórne, we carried out training aimed at improving employee safety. Employees responsible for firefighting and evacuation completed additional practical training on how to respond in the event of various hazards.

As part of our safety measures, an AED defibrillator is available on the company premises, easily accessible to both employees and residents of the Tarnowo Podgórne municipality.

### Comfort of Production Employees

In 2024, we continued a project aimed at improving the comfort and safety of production employees. The use of electric pallet trucks and height-adjustable work tables enables us to minimise the risk of accidents and occupational diseases related to excessive strain on the body. The project received co-financing from the Social Insurance Institution (ZUS) Department of Prevention and Rehabilitation.

In 2024, we recorded:

- 2 workplace accidents, including 0 fatal accidents
- 0 occupational diseases or suspected cases thereof
- 0 commuting accidents (to/from work)

### Employee Health

Responding to employees' expectations, in August 2024 we introduced access to medical packages provided by the Luxmed Group. The offer includes three package options: standard, extended and comprehensive, each available in individual, partner and family versions.

This initiative was introduced in response to a need raised by employees in the job satisfaction survey conducted at Balma at the end of 2023.

S1	S1-14		Health and Safety Indicators	Response
S1	S1-14	88 a	Percentage of own workforce covered by an occupational health and safety management system based on legal requirements and/or recognised standards or guidelines	100%
S1	S1-14	88 b	Number of fatalities among own employees resulting from work-related injuries and work-related ill health	0
S1	S1-14	88 b	Number of fatalities resulting from work-related injuries and work-related ill health of other workers operating on the company's premises	0
S1	S1-14	88 c	Number of recorded occupational accidents involving own employees	2
S1	S1-14	88 d	Number of recorded cases of work-related ill health among employees	0
S1	S1-14	88 e	Number of lost days due to work-related injuries and fatalities arising from occupational accidents, work-related ill health and work-related fatalities among own employees	74
S1	S1-14	90	Percentage of own workforce covered by an occupational health and safety management system based on legal requirements and/or recognised standards or guidelines, which has been subject to an internal audit and/or an external audit or certification	100%

### Other Relevant Health and Safety Indicators

100%

employees trained in fire protection principles and in hazards and risks arising from their workplace duties

100%

production, maintenance and warehouse employees trained in procedures for handling hazardous chemical substances

## Team Integration

**At Balma, we place great emphasis on team integration and building a positive working atmosphere. We regularly organise events that help employees get to know each other better and strengthen the bonds between them. These initiatives are aimed not only at improving communication, but also at increasing engagement and job satisfaction.**

Every year we celebrate Christmas together by organising a company Christmas Eve event. It is a special moment that fosters integration in a festive atmosphere. In addition, for many years we have arranged autumn trips to the Tatra Mountains, where we spend time outdoors, hiking along mountain trails and building stronger relationships.

Sports-based integration has become our tradition. A touch of adrenaline and competition is an excellent way to spend time together after work. In May 2024, we had the chance to experience this first-hand. During an event in Witoldzin, we competed in three disciplines: paintball, table tennis and darts, with the sporting excitement rounded off by dancing under the open sky.

In August 2024, a group of nearly 100 of our employees and their families set off on a family trip to Berlin. The programme included a visit to the Berlin Wall, a tour of the Reichstag – the seat of the German parliament – offering an impressive panorama of the city, and discovering one of Berlin’s most iconic landmarks – the Brandenburg Gate. There was also a moment of reflection at the Memorial to the Murdered Jews of Europe, and the day full of impressions concluded at the Natural History Museum, where participants had the opportunity to admire the rich collection of natural exhibits.

All these initiatives are intended to create a working environment in which everyone feels valued, integrated, and motivated to achieve the company’s goals together.



## Team Education

### Security Awareness

In November 2024, more than 60 Balma employees took part in a Security Awareness training session. Understanding cyber threats and applying appropriate precautions are key to ensuring security – both personal and organisational. During the training, we discussed the most common threats, social engineering techniques used by cybercriminals, rules for safe use of email, browsers, devices and passwords, as well as guidelines for remote work.

We are aware that cyberattacks are part of today's reality. Therefore, we train to increase vigilance and adhere to cybersecurity rules. This is our shared responsibility.

### Acoustics Training

In March 2024, a training session was held with an acoustics expert. The meeting covered key acoustic issues related to work and the challenges associated with them. It focused on ways to minimise the negative

impact of noise on concentration and work efficiency. At the same time, the parameters of the Bbox acoustic booth, introduced into Balma's portfolio, were presented. The training proved valuable and provided many useful insights.

### Meeting on Trends

In November 2024, we organised a meeting on trends and future directions in office design. We discussed social changes in the labour market, employee needs, and how modern offices adapt to evolving expectations and ways of working. The meeting was led by Katarzyna Zakrzewska, a sociologist of work and graduate of the School of Form. For 20 years she has been active in the office furniture and real estate sectors. A Design Thinking facilitator, she conducts training in social skills and workplace strategy. Her insights on trends, the labour market and office design have been published in *Design Alive*, *Property Design*, as well as in *Domoteka* trend reports and *Forbes Women*.



# Consumer Issues

## Market and Production

Balma provides comprehensive support for architects and distributors, offering tools and materials that facilitate the design and sales process of furniture.

86 000

In 2024, we produced nearly 86 000 finished products.

137 000 m<sup>2</sup>

We consumed 137 000 m<sup>2</sup> of boards – a surface area larger than 19 football pitches.

24

Our furniture in 2024 was sold in 24 countries: England, Austria, Belgium, Croatia, Cyprus, Czech Republic, Estonia, France, Greece, the Netherlands, Ireland, Kazakhstan, Lithuania, Latvia, Malta, Germany, Poland, Romania, Slovakia, the United States, Scotland, Switzerland, Sweden, and Hungary.

-7,6%

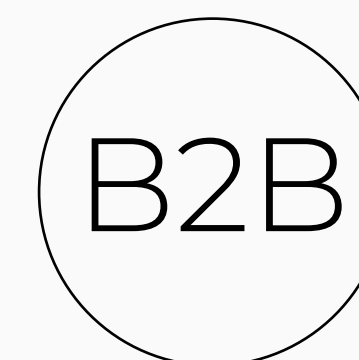
In 2024, we processed a total of 508 complaints, of which 395 were recognised as justified. Compared with 2023, this represents a 7.6% decrease in the number of submissions. The share of justified complaints in relation to the total number of finished products manufactured amounted to 0.46%.

S4	S4-1	16 b	
S4	S4-3	25 d	AR 24

## Tools for Distributors

### B2B Panel

To improve cooperation with distributors and enhance service quality, we are developing a dedicated tool – the B2B panel. In 2024, work continued on its enhancement, particularly in the area of preparing quick quotations for non-standard furniture and compiling quotations for complex, bespoke projects. The panel also provides access to a register of quotations, facilitates history management, and allows for modifications. It is a convenient tool that simplifies daily work.

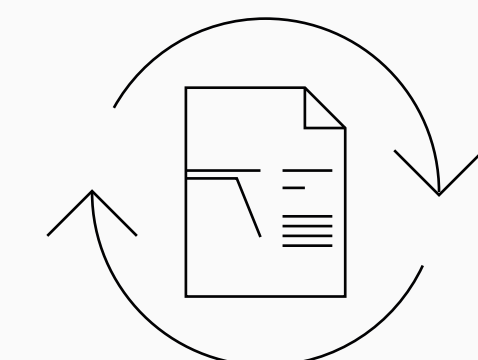


S4	S4-4	31 c	AR 36
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### Complaint Reporting System

Our complaint handling system is being systematically improved. The option to submit complaints via the website and the easy access to their history make the process more efficient for both us and our clients. Each complaint is a valuable source of insight and may lead to changes in production processes and products, resulting in a recorded decrease in the number of complaints over subsequent periods.



## 3D Tools

We provide our partners with a comprehensive library of 3D models, textures, and other essential materials that support the design process. These models are available both as 3D assets compatible with various design programmes and as configurable data in the pCon database.

### Materials and Samples

We have extensive technological facilities that enable us to manufacture furniture in a variety of technologies, materials, and colour options. We offer a wide range of finishes and an extensive palette of colours, ensuring high design flexibility. For our clients, we prepare dedicated material sample books.

### pCon

As part of our support for designers and business partners, we provide access to modern pCon tools, which allow for product design, visualisation, and pricing within interior environments. The system is based on configurable data from furniture and equipment manufacturers. The pCon.planner application is free for users, while access to OFML data is granted following verification by the Balma team.

### Custom Production

We deliver orders tailored to individual needs, including bespoke furniture or items in unique finishes and colours, designed for specific spaces and arrangements. Our modern machinery park allows us to effectively respond to non-standard design challenges and create dedicated solutions.

### Direct Support

We treat every project as a priority and place great importance on the quality of collaboration with architects and designers. We provide continuous, expert support at every stage – from concept preparation and cost estimation to implementation and installation. The production process is carefully monitored at every step: from preparing the offer and technical documentation to final delivery of the furniture to the client. We believe that reliability and attention to detail determine the success of a project and the satisfaction of its recipients.



## New Products

The year 2024 was rich in new products introduced to the Balma portfolio. Collaboration with designers: Maja Ganszyniec Studio, Piotr Kuchciński and Bogusz Jagiełło resulted in many exciting projects that are being systematically added to the Balma offer.



### Visi | Mobile Ideas Hub

The Visi whiteboard board by Bogusz Jagiełło was created with dynamic collaboration in mind, both in offices and creative spaces. Its distinctive minimalist design makes it not only a functional tool but also an aesthetic addition to any interior. Characterised by simplicity and elegance, it creates a neutral background that facilitates the expression of creativity without unnecessary distraction.

Design: Bogusz Jagiełło



### Minimus | Modular Tables and High Mobile Tables

Another stage in the development of this broad furniture collection. We expanded the Minimus line with new solutions, introducing modular tables ideal for conference spaces and high mobile tables dedicated to dynamic meeting areas.

Design: Piotr Kuchciński



### Demino | High Mobile Tables

The Demino collection of tables has been expanded to include high mobile tables. Designed for flexible office environments, they make it possible to create work and meeting zones tailored to the team's immediate needs.

Design: Piotr Kuchciński



### Sit&Stand C | New Desks

We have added Sit&Stand C desks to our standard range of electrically height-adjustable desks. Available in both single and double versions, they stand out for their durability, lightness and excellent value for money.

Design: Balma Design Team

S4	SBM-3	10 a
S4	SBM-3	10 a I-V
S4	SBM-3	10 c



**Tivi | TV Cabinets – a synonym of minimalism, elegance and functionality**

A thoughtful storage solution that adds charm to any interior. Perfect for conference rooms, shared spaces, as well as home environments where aesthetics and order are of key importance. Tivi is a product dedicated to those who value high-quality craftsmanship, refined details and distinctive design.

Design: Piotr Kuchciński



**Bbox Two-Person Acoustic Booth**

We have expanded the Bbox collection with a new two-person acoustic booth! It is the perfect solution for those seeking peace and privacy in the office. The booth is ideal for conversations, video conferences and quick meetings in small teams.

Design: Piotr Kuchciński



**Carde | Coffee Tables – unexpected geometry and stable lightness**

The Carde coffee tables, reminiscent of a house of cards, combine visual lightness with unrivalled stability. They fit perfectly into both commercial and intimate spaces, creating a unique atmosphere where work and relaxation take on a new dimension.

Design: Maja Ganszyniec Studio



**Anker | Side Tables – practical design at your fingertips**

Anker is an excellent example of balance between design and functionality. Inspired by the shape of an anchor, this side table combines elegance with versatility, making it an ideal choice for relaxation areas, reception spaces and public interiors.

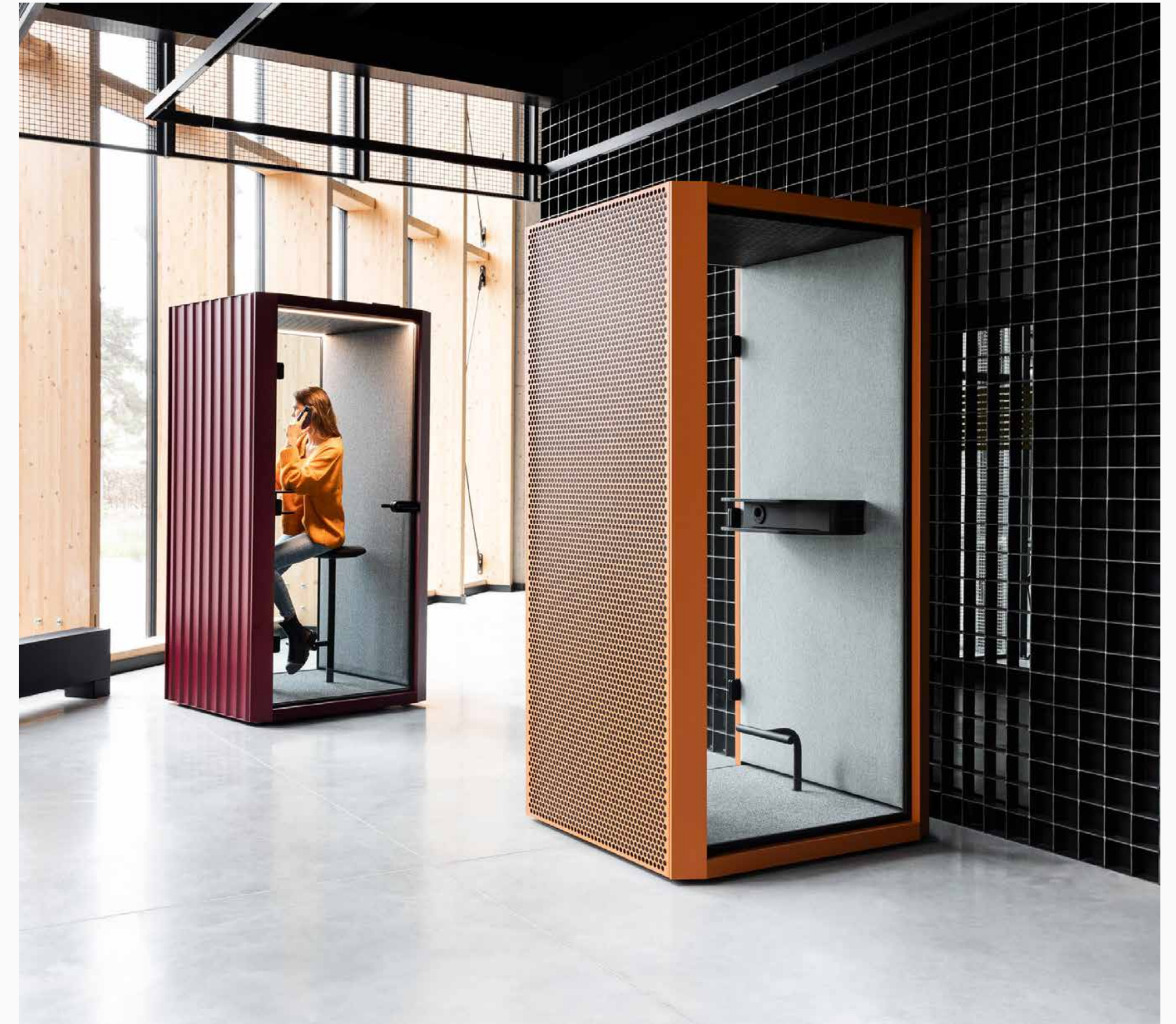
Design: Maja Ganszyniec Studio

## Awards Received in 2024

### iF DESIGN AWARD 2024

Balma was among the winners of the prestigious iF DESIGN AWARD 2024, which recognises outstanding achievements across various design categories. The Bbox acoustic booth, designed by Piotr Kuchciński, received the award in the Product – Office/Stationary category.

The Bbox project was recognised for its innovative design and acoustic comfort, which convinced the 132-member jury of independent experts from around the world. This award is particularly valuable given that the competition attracted more than 11,000 entries from 72 countries. We are proud that our innovative solutions have been recognised by such a prestigious panel.



# Partnerships for Sustainable Development

**Aware of the importance of knowledge and experience exchange, we actively participate in conferences, workshops and industry events.**

## Accessibility Forum

In 2024, the second edition of the Accessibility Forum took place in Poznań – an event dedicated to universal design and architectural accessibility. This was a particularly important event for us, as our work is strongly oriented towards the needs of people with disabilities and inclusivity.

The main theme of this edition was “accessible architecture” and creating spaces where everyone can benefit from the same facilities in public areas, at home and at work. We took part in a discussion panel titled “See by touch, feel, taste, hear. The senses in design”, where our designer Kinga Strzelczyk represented us. In addition, we prepared a Balma stand to create a space for exchanging ideas and to provide Forum participants with inspiration for designing friendly and inclusive workplaces tailored to people with diverse needs.

## Orgatec 2024

In October 2024, we participated in one of the most important events in the office furniture industry, where we presented our solutions for modern workplaces. Offices are evolving into spaces for meetings, collaboration and relaxation, and Balma furniture is well suited to these changes.

At the fair, we showcased many new products designed by Maja Ganszyniec Studio and Piotr Kuchciński. Our latest solutions significantly expand Balma’s portfolio, responding among other things to the needs of neurodiverse people and those with various disabilities.

The stand, created according to the concept of Piotr Kuchciński, was divided into zones corresponding to different office functions. Each was distinguished by a carefully chosen colour palette, while soft curtains added a sense of cosiness and elegance.



**Pro Progressio**

In 2024, we took part in the “Wellbeing in Business” conference, which aimed to address key issues not only related to employees’ mental health but, above all, the relationship between companies and employees, as well as to share good practices positively influencing employee wellbeing.

During the event, a panel discussion featured our representative – Magdalena Kaniewska, ESG Manager. The discussion covered, among others, the consequences of remote work, the evolving office environment, the current role of team managers, ways of nurturing relationships and communication within teams, building wellbeing, and minimising the risk of social isolation. We also discussed diversity, the need for interaction, the importance of caring for one another, and the idea that the office is a place where many different needs can be met.

The subject of wellbeing is particularly important to us. We associate it not only with safety and health but also with growth and comfort.

**Neurodiversity in the Labour Market and Education**

“Skills create opportunities. Strength lies in diversity” – this was the key message of the “Neurodiversity in the Labour Market and Lifelong Education” conference, held in September 2024 in Gorzów Wielkopolski. The event brought together representatives of education, government, healthcare, business and NGOs, all committed to addressing the diverse needs of individuals.

We took part in this socially significant initiative aimed at “building bridges”, as we know that with greater awareness and understanding of how neurodiverse people function, we are able to design and manufacture furniture suited to everyone.

Participants had the opportunity to see and test Balma products tailored to diverse needs, including the Plus acoustic sofa, Picnix table, Pung seat, Unu coat stand, Drops table, and the Sit&stand electric height-adjustable desk.

**“Responsible Business in Poland. Best Practices 2023” Report**

As many as four of our ESG best practices were included in the “Responsible Business in Poland. Best Practices 2023” report, published in April 2024. Among the Balma initiatives recognised by the committee were:

1. Wellbeing and safety of production employees (p. 123)
2. Improving employee safety: organising and conducting first aid training and evacuation drills, and purchasing a defibrillator (p. 63)
3. “Zawodowiec” (Vocational Programme) – cooperation with vocational schools, including the Technical Schools Complex in Tarnowo Podgórze (p. 351)
4. Modernisation of the painting line, ISO 14001 (p. 152)

This report is the most important cyclical publication of the Responsible Business Forum, issued since 2002. It provides an overview of companies’ ESG activities and summarises the key sustainability-related events of the past year.



# Fair Operating Practices

## Quality Confirmed by Certificates

### Furniture Testing

In 2024, as in previous years, we carried out strength, durability and stability tests of our furniture at the Furniture Testing Laboratory (LBM) European Certification, accredited by the Polish Centre for Accreditation (PCA). The furniture is tested in accordance with European testing procedures and standards to ensure the highest quality, safety and functionality.

Many of our products – such as Minimus, Multibase, C8, G4, J\_system, K2 and Plus – also hold additional certificates confirming their durability and ergonomics.

### Acoustic Certificates

In 2024, the acoustic properties of the Bbox booth were confirmed by tests conducted at the acoustic laboratory of the Ship Design and Research Centre, accredited by the PCA. The most important parameters were examined, including: speech level reduction, booth sound insulation, noise level, reverberation time and sound absorption coefficient.

According to ISO 23351-1, in terms of speech level reduction, our booth is classified as Class B, with a result of 28.8 dB.

### Hygienic Certificate

In 2024, we obtained a Hygienic Certificate issued by the National Institute of Public Health – National Research Institute (PZH). It covered the following groups of office furniture: K2 – pedestals, G4 – desks, C8 – cabinets, J-system – cabinets.

The certificate for these products is valid until 2029. It confirms that the above-mentioned Balma furniture complies with strict hygiene requirements. These products contain: steel and aluminium sheets and profiles, laminated chipboard, powder coatings, furniture edges and fittings – all in line with documentation and intended for office equipment in accordance with recommendations.

28,8 dB

In terms of speech level reduction, the Bbox booth is classified as Class B, with a result of 28.8 dB.

### Key Acoustic Parameters of the Bbox booth confirmed by tests:

- Speech level reduction
- Booth sound insulation
- Noise level
- Reverberation time
- Sound absorption coefficient



# Social Engagement and Local Community Development

We actively support the development of the local community through numerous initiatives and joint collaborations.

## Local Activities

One of the areas in which we support the local community is education. In 2024, 15 students from a local vocational school undertook apprenticeships at Balma, and 68 people participated in training sessions and company tours.

As part of our social activities, in cooperation with local institutions and communities, in 2024 we became involved in a variety of initiatives:

### Lion's Run 2024

In 2024, the Balma team once again took part in the Lion's Run in Tarnowo Podgórze to promote a healthy lifestyle and nurture sporting passions together. We joined the event with entire families – the Lion Cubs' Run, but were also present as an exhibitor and organiser of the relaxation zone.

S3	SBM-3	9 c
S3	S3-1	16 b

Our representatives competed in the Lion Cubs' Run (for children), Lion's Run (10 km) and the Half Marathon (21.095 km). Lion's Run 2024 once again proved that sporting and local integration is both possible and necessary.

### Great Orchestra of Christmas Charity (WOŚP)

In 2024, as in previous years, we joined the 32nd Finale of the Great Orchestra of Christmas Charity (WOŚP). For the auction, we donated the Unu coat stand, designed by Piotr Kuchciński.

### Chair Renovation Workshops

As part of the workshops, together with students and local organisations, we worked on the renovation of chairs donated by the Fameg factory. The restored furniture was later showcased at the Centre for Democracy and Civic Integration in Tarnowo Podgórze.

S3	S3-4	32 c	AR 37
S3	S3-4	AR 25 b	AR 37



## Education

In 2024, together with the academic community, we undertook numerous initiatives aimed at education and also at the exchange of insights and experiences.

### Collaboration with Universities

Education – advisory services and vocational training – is one of the six key elements of Balma’s ESG strategy for 2024–2026.

We engaged in a cooperation project with Civitas University and CSRinfo, under which students of the 11th edition of the postgraduate programme “ESG Manager. Sustainable Development in Business” developed an ESG strategy project based on a Balma case study.

In addition, students from the University of the Arts Poznań were tasked with designing complementary accessories for selected Balma furniture. All concepts were developed

with attention to design principles, selected aspects of sustainability and user wellbeing.

These initiatives support education on sustainable development and the practical implementation of its principles within the furniture industry. At the same time, they address the need to educate young people on new challenges related to ESG and the principles of running a modern factory.

### “Professional” – Collaboration with Vocational Schools

In 2024, we continued our collaboration with vocational schools through initiatives aimed at supporting young people in choosing their career paths. Our initiatives include support for beginner carpenters. We offer apprenticeships in our factory to students of the Technical Schools Complex in Tarnowo Podgórze as well as other vocational schools.

We also support students preparing for state exams through workshops and practical training. Our activities further include organising visits to partner companies and encouraging young people to pursue a specific profession and continue their development.

We work with career advisors from local primary schools. We know how crucial it is to support young people’s education and to inspire them to shape their own future already at the primary school level. In this way, we promote learning the carpentry trade.

During each meeting, we talked about the activities of our factory, what we do on a daily basis, how our work looks and what career prospects we offer.



**”**  
*In 2024, we hosted 68 visitors from schools in Strykowo, Przeźmierowo and Poznań, as well as 18 students from the University of the Arts Poznań.*



# Practices in: Organisational Governance

We ensure that our activities are consistent with both applicable standards and our adopted values and long-term goals. In March 2024, an audit of the ISO 9001:2015 and ISO 14001:2015 management system was carried out, which concluded with a recommendation to maintain certification. The audit confirmed the effectiveness of the implemented solutions, their development and the absence of non-conformities.

## Integrated Management System

The implemented management procedures and processes confirm that we operate in accordance with applicable standards as well as quality and environmental protection requirements.

## Integrated Management System Policy

Balma Furniture Factory SA, operating for over 40 years, focuses on delivering the highest quality products and meeting customer expectations. Supporting the achievement of these goals is the Integrated Management System, based on ISO 9001 (since 1999) and ISO 14001 (since 2023), which is systematically developed and adapted to market requirements.

## How do we manage with the environment in mind?

- We strive to improve actions and develop technologies to ensure a safe environment for employees and local residents
- We reduce waste and pollution through modern technologies and environmental protection measures
- We carefully select raw materials, ensuring high quality and compliance with standards
- We design furniture with unique and ergonomic features
- We apply an Integrated Management System compliant with international health and environmental standards

All documents are available on the Employee Portal and on balma.pl.

## ESG Formal Documents

In 2024, we developed a number of strategic ESG documents aimed at systematising our standards of ethical, transparent and responsible conduct.

The ESG documents include:

- Balma Code of Conduct
- Supplier and Partner Code of Conduct
- Anti-Corruption Policy
- Human Rights Policy
- Anti-Mobbing and Anti-Discrimination Policy
- Sustainability Policy
- Whistleblower Protection Policy
- Discounted Furniture Purchase Regulations
- Employee Referral Regulations



G1	G1-3	18 a	AR 5-AR 6
G1	G1-3	20	
S1	S1-1	23	
S1	S1-1	24 a	
S1	S1-1	24 b	AR 15-AR 16
S3	S3-1	16 a	
S4	S4-1	16 a	

**Operating Practices**

In 2024, Balma recorded no cases of corruption or bribery. Nor were there any convictions for violations of anti-corruption or anti-bribery regulations.

No employees were penalised or dismissed for incidents related to corruption or bribery.

Balma also did not record any confirmed incidents related to business partner contracts that were terminated or not renewed due to corruption or bribery violations.

**Payment Practices**

Payment practices refer to the way in which the company settles its financial obligations towards suppliers, contractors and business partners – paying them on time, in full and in accordance with the contract.

Compared to the market, Balma’s practices place it among the leaders.

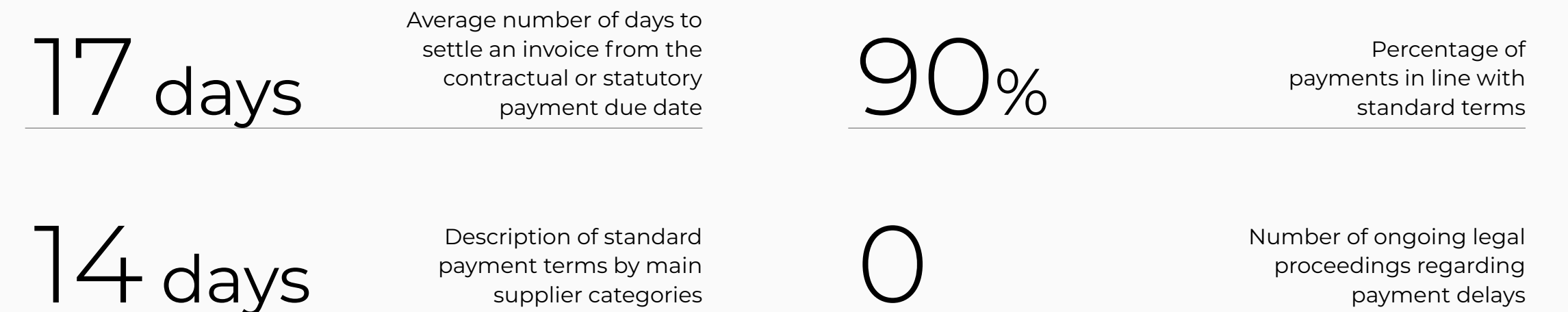
As many as 90% of payments made by Balma in 2024 were in line with standard payment terms.

In 2024, there were no legal proceedings against Balma concerning payment delays.



G1	G1-4	24 a
G1	G1-4	25 a
G1	G1-4	25 b
G1	G1-4	25 c

G1	G1-6	
G1	G1-6	AR 16-AR 17
G1	G1-6	
G1	G1-6	



# Practices in: Human Rights

**Balma’s activities are conducted in line with applicable laws, sustainability principles, and ISO 9001 and ISO 14001 standards in the areas of quality and environment.**

Our management system, based on international standards, is part of our daily work and helps us maintain high service quality while protecting health and the environment.

We take action to protect natural resources for future generations. In our relations with people, we respect privacy, diversity and equality – every individual, regardless of age, origin or orientation, is treated with dignity.

Our activities are consistent with the principles contained in key international standards and documents, such as:

- The Universal Declaration of Human Rights
- OECD Guidelines for Multinational Enterprises
- The Charter of Fundamental Rights of the European Union
- The Ten Principles of the United Nations Global Compact
- International Labour Organisation regulations
- UN Guiding Principles on Business and Human Rights

## Employee Council

For many years, Balma has had an Employee Council, composed of representatives elected in free elections held every five years. This body represents all employees of the Balma factory. At the Council’s initiative, regular meetings with the Management Board are held to discuss current team-related issues. The Council also serves as an important communication channel, providing the Management Board with information on matters significant from the employees’ perspective.



S1	S1-1	20	
S1	S1-1	20 a	
S1	S1-1	20 b	
S1	S1-1	21	AR 12

# ESG Strategy

Sustainable Development	41
Main directions of our sustainable development	41
Our Goals	42
ESRS Indicators Table	45

# Sustainable Development

## At Balma, we consistently implement sustainability initiatives across all areas of our operations.

The ESG strategy for 2024–2026 was developed based on stakeholder dialogue, analysis of market trends, and identification of key environmental, social and governance challenges. At the same time, it supports the company’s business goals.

Sustainability is an integral part of our organisational culture. We take into account the expectations of employees and other stakeholder groups at the planning and implementation stage of the strategy, believing that such an approach fosters long-term growth, brings benefits to both the organisation and its surroundings, and contributes to improving quality of life.

The adopted ESG strategy provides for the continuation and development of existing initiatives and commitments in the social, environmental and governance areas.

### The six pillars of our ESG strategy:

- Education – advisory services and vocational training
- Engagement in local community life
- Wellbeing understood as: health and safety, development, comfort
- Sustainable management
- Innovation and design
- Environmental protection

The foundation of our ESG strategy lies in responsible management, our values, ethical principles, compliance with legal requirements, and dialogue with stakeholders, enabling us to understand their expectations.

## Main directions of our sustainable development

<b>Education and Advisory</b>	<ul style="list-style-type: none"> <li>· Practical vocational training and internships for secondary school students</li> <li>· Visits from local primary, vocational, and higher education schools combined with factory tours</li> <li>· Collaboration with universities in Poznań: arts and natural sciences</li> </ul>
<b>Engagement in Local Community Life</b>	<ul style="list-style-type: none"> <li>· Collaboration with the Tarnowo Podgórne Municipality Office</li> <li>· Partnership with the Tarnowo Entrepreneurs Association</li> <li>· Cooperation with vocational schools (I and II degree) from neighbouring districts</li> <li>· Collaboration with the Center for Democracy and Civic Integration</li> </ul>
<b>Wellbeing</b> · Health and safety · Development · Comfort	<ul style="list-style-type: none"> <li>· Development and skills enhancement training for employees</li> <li>· Enhancement of employee benefits</li> <li>· Implementation of solutions to improve working comfort and ergonomics</li> <li>· Employee rationalisation proposal program</li> <li>· Employee integration</li> <li>· Development of employee volunteerism "Employees to Employees"</li> </ul>
<b>Sustainable Management</b>	<ul style="list-style-type: none"> <li>· Preparation and implementation of a Code of Conduct for employees</li> <li>· Preparation and implementation of a Code of Conduct for suppliers</li> <li>· Preparation and implementation of ESG Policies</li> </ul>
<b>Innovation and Design</b>	<ul style="list-style-type: none"> <li>· Automation of production processes</li> <li>· Sustainable furniture design and production</li> <li>· Inclusive design considering user diversity</li> </ul>
<b>Environmental Protection</b>	<ul style="list-style-type: none"> <li>· Environmentally friendly technological changes</li> <li>· Periodic calculation of carbon footprint and decarbonization plan</li> <li>· Development of photovoltaic installations</li> <li>· Conscious management of rainwater and technological water</li> <li>· Minimization and sensible waste management based on the 4 R principle: Refuse, Reduce, Reuse, Recycle</li> <li>· Environmental education</li> <li>· Optimization of logistics processes</li> <li>· Actions in accordance with the Integrated Management System Policy (ISO 9001 and ISO 14001)</li> </ul>

## Our Goals

Balma’s ESG strategy for 2024–2026 is aligned with the 2030 Agenda, adopted by all 193 UN member states. The Sustainable Development Goals (SDGs) represent a global action plan to build a future where the needs of current generations are met responsibly, with respect for the environment and care for the wellbeing of future generations.

Out of the seventeen SDGs, we have selected six that are particularly relevant in the context of our operations and industry challenges. Since 2024, our activities have been focused on achieving the following goals: 4, 8, 9, 12, 13 and 17.



### 4 (4.1, 4.3, 4.4): Good Quality Education

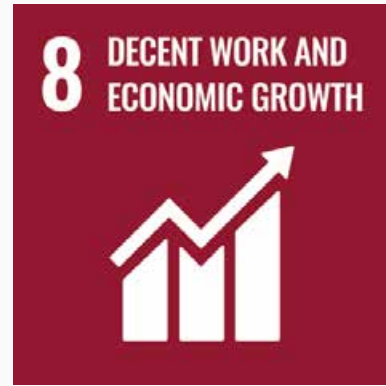
#### EDUCATION - WHERE IT ALL BEGINS

At Balma, we understand that high-quality education is fundamental to improving people’s lives and achieving sustainable development. Universal access to education enhances quality of life and enables innovative solutions to contemporary global challenges. Ensuring good quality education involves creating universal scholarship programs, workshops for teachers, and developing schools.

**4.1** By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes.

**4.3** By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.

**4.4** By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.



**8 (8.3, 8.5, 8.6, 8.8):  
Economic Growth  
and Decent Work**

**BALMA FOR EMPLOYEES AND THE LOCAL COMMUNITY**

Sustainable economic growth requires creating high-quality jobs that stimulate the economy without harming the environment, while providing fair working conditions for employees. It is essential to create new employment opportunities and ensure fair working conditions for the working-age population.

**8.3** Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

**8.5** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

**8.6** Substantially reduce the proportion of youth not in employment, education or training.

**8.8** Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.



**9 (9.4):  
Industry,  
Innovation and  
Infrastructure**

**BALMA FOR INNOVATION**

Investing in infrastructure such as transportation, irrigation systems, energy, and information and communication technologies significantly contributes to sustainable development and strengthens societies. Effective investments in these areas play a crucial role in enhancing productivity and income, improving healthcare, and ensuring quality education. Technological progress is essential for achieving environmental goals, such as reducing carbon emissions. Without technology and innovation, industrialization and thus social development would not be viable.

Greater investments in advanced technologies are necessary to increase the efficiency of manufacturing production.

**9.4** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.



**12 (12.2, 12.5):  
Responsible  
Consumption  
and Production**

**BALMA FOR SUSTAINABLE PRODUCTION AND CONSUMPTION**

Sustainable consumption and production promote efficient use of energy and resources, the creation of resilient infrastructure, access to basic services, fair working conditions, including in the environmental sector, and improve quality of life. This approach contributes to achieving development goals, reduces economic, environmental, and social costs, enhances economic competitiveness, and helps eradicate poverty. Sustainable consumption and production lead to net benefits from economic activities by reducing resource consumption, minimising degradation and pollution while improving quality of life.

Implementing sustainable consumption and production requires coordination among producers, consumers, and other supply chain participants. Informing and educating consumers to increase awareness of sustainable consumption and lifestyles is essential. Information campaigns on standards, product labelling, and engaging consumers in public procurement issues can serve this purpose.

**12.2** By 2030, achieve the sustainable management and efficient use of natural resources.

**12.5** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.



**13 (13.3):  
Climate Action**

**BALMA FOR THE NATURAL ENVIRONMENT**

The impacts of climate change, such as rising sea levels, extreme weather events, and increasing greenhouse gas emissions, pose a global challenge to humanity regardless of location. It is essential to coordinate international efforts to counteract these threats and support a low-emission economy.

**13.3** Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.



**17 (17.16):  
Partnerships  
for the Goals**

**BALMA FOR PARTNERSHIPS FOR SUSTAINABLE DEVELOPMENT**

Achieving the Sustainable Development Goals requires close partnerships among governments, the private sector, and society. These partnerships should be based on shared principles, values, and goals, focusing on both people and the planet. Such cooperation is needed globally, regionally, nationally, and locally.

Urgent actions are needed to unlock finances in the private sector for achieving the Sustainable Development Goals. Long-term investments, especially in sectors like energy, infrastructure, transport, and technology, are essential, particularly in developing countries. A clear strategy for public sector development is also necessary, including rebuilding monitoring, review, and regulatory systems to strengthen new investments and national oversight mechanisms.

**17.16** Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism.

## ESRS Indicators Table

G1	G1-3	18 a	AR 5-AR 6	Information about procedures in place to prevent, detect, and address allegations or incidents of corruption or bribery
G1	G1-3	20		Information about how policies are communicated to those for whom they are relevant (prevention and detection of corruption or bribery)
G1	G1-4	24 a		Number of convictions for violation of anti-corruption and anti- bribery laws
G1	G1-4	24 a		Amount of fines for violation of anti-corruption and anti- bribery laws
G1	G1-4	25 a		Number of confirmed incidents of corruption or bribery
G1	G1-4	25 b		Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents
G1	G1-4	25 c		Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery
G1	G1-6	33 a		Average number of days to pay invoice from date when contractual or statutory term of payment starts to be calculated
G1	G1-6	33 b	AR 16-AR 17	Description of undertakings standard payment terms in number of days by main category of suppliers
G1	G1-6	33 b		Percentage of payments aligned with standard payment terms
G1	G1-6	33 c		Number of outstanding legal proceedings for late payments

E1	E1-5			Energy Consumption and Energy Mix
E1	E1-5	37		Total energy consumption related to own operations
E1	E1-5	37 a		Total energy consumption from fossil sources
E1	E1-5	37 b		Total energy consumption from nuclear sources
E1	E1-5	37 c		Total energy consumption from renewable sources
E1	E1-5	37 c ii		Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources
E1	E1-5	37 c iii		Consumption of self-generated non-fuel renewable energy
E1	E1-5	38 a		Fuel consumption from coal and coal products
E1	E1-5	38 b		Fuel consumption from crude oil and petroleum products
E1	E1-5	38 c		Fuel consumption from natural gas
E1	E1-5	38 d		Fuel consumption from other fossil sources
E1	E1-5	38 e		Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources
E1	E1-5	39		Non-renewable energy production
E1	E1-6			Gross Scope 1, 2, 3 and Total GHG Emissions
E1	E1-6	48 a	AR 43	Gross Scope 1 greenhouse gas emissions
E1	E1-6	49 b + 52 b	AR 45, AR 47	Gross market-based Scope 2 greenhouse gas emissions
E1	E1-6	51	AR 46	Gross Scope 3 greenhouse gas emissions
E1	E1-6	44 + 52	AR 47	Total GHG emissions
E1	E1-6	44 + 52 a	AR 47	Total GHG emissions location based
E1	E1-6	44 + 52 b	AR 47	Total GHG emissionsmarket based
E1	E1-6	AR 39 b		Disclosure of methodologies, significant assumptions and emissions factors used to calculate or measure GHG emissions
E2	E2-4	26		The entity discloses the pollutants it emits as a result of its own operations, as well as the microplastics it generates or uses.
E3	E3-4			Water consumption
E3	E3-4	28 a		Total water consumption
E5	E5-3	24 c		Disclosure of how target relates to minimisation of primary raw material
E5	E5-5			Discharged resources
E5	E5-5	37		Total Waste generated

SI	SI-1	20		Description of relevant human rights policy commitments relevant to own workforce
SI	SI-1	20 a		Disclosure of general approach in relation to respect for human rights including labour rights, of people in its own workforce
SI	SI-1	20 b		Disclosure of general approach in relation to engagement with people in its own workforce
SI	SI-1	21	AR 12	Disclosure of whether and how policies are aligned with relevant internationally recognised instruments
SI	SI-1	23		Workplace accident prevention policy or management system is in place
SI	SI-1	24 a		Specific policies aimed at elimination of discrimination are in place
SI	SI-1	24 b	AR 15-AR 16	Grounds for discrimination are specifically covered in policy
SI	SI-3	32 b	AR 28	Disclosure of specific channels in place for ist own workforce to raise concerns or needs directly with undertaking and have them addressed
SI	SI-3	32 c		Grievance or complaints handling mechanisms related to employee matters exist
SI-4	38 c	AR 42		Description of additional initiatives or actions with primary purpose of delivering positive impacts for own workforce
SI	SI-4	38 d	AR 38-AR 39	Description of how effectiveness of actions and initiatives in delivering outcomes for own workforce is tracked and assessed
SI	SI-4	40 b		Description of what action is planned or underway to pursue material opportunities in relation to own workforce
SI	SI-5	47 a		Disclosure of whether and how own workforce or workforce' representatives were engaged directly in setting targets
SI	SI-14	88 a		Percentage of people in its own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines
SI	SI-14	88 b		Number of fatalities in own workforce as result of work-related injuries and work-related ill health
SI	SI-14	88 b		Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites
SI	SI-14	88 c		Number of recordable work-related accidents for own workforce
SI	SI-14	88 d		Number of cases of recordable work-related ill health of employees
SI	SI-14	88 e		Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health realted to employees
SI	SI-14	90		Percentage of own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines and which has been internally audited and (or) audited or certified by external party
SI	SI-6	50 a		Characteristics of undertaking's employees - number of employees by gender [table]
SI	SI-6	50 a	AR 57	Number of employees (head count)

SI	SI-6	50 a	AR 57	Average number of employees (head count)
SI	SI-6	50 b		Characteristics of undertaking's employees - information on employees by contract type and gender [table]
SI	SI-6	51		Characteristics of undertaking's employees - information on employees by region [table]
SI	SI-6	50 c	AR 59	Number of employee who have left undertaking
SI	SI-6	50 c		Percentage of employee turnover
SI	SI-9	66 a		Number of employees (head count) at top management level
SI	SI-9	66 a		Percentage of employees at top management level
SI	SI-9	66 b		Number of employees (head count) under 30 years old
SI	SI-9	66 b		Percentage of employees under 30 years old
SI	SI-9	66 b		Number of employees (head count) between 30 and 50 years old
SI	SI-9	66 b		Percentage of employees between 30 and 50 years old
SI	SI-9	66 b		Number of employees (head count) over 50 years old
SI	SI-9	66 b		Percentage of employees over 50 years old
SI	SI-9	AR 71		Disclosure of own definition of top management used
SI	SI-12	79		Percentage of persons with disabilities amongst employees subject to legal restrictions on collection of data
SI	SI-12	80		Percentage of employees with disabilities in own workforce breakdown by gender [table]
S3	SBM-3	9 c		Description of activities that result in positive impacts and types of affected communities that are positively affected or could be positively affected
S3	S3-1	16 a		Disclosure of general approach in relation to respect for human rights of communities, and indigenous peoples specifically
S3	S3-1	16 b		Disclosure of general approach in relation to engagement with affected communities
S3	S3-4	32 c	AR 37	Description of additional initiatives or processes with primary purpose of delivering positive impacts for affected communities
S3	S3-4	AR 25 b	AR 37	Disclosure of social investment or other development programmes aimed at contributing to additional material positive impacts
S3	S3-4	AR 25 d		Disclosure of aims for continued improvement
S4	SBM-3	10 a		Description of types of consumers and end-users subject to material impacts
S4	SBM-3	10 a i-v		Type of consumers and end-users subject to material impacts by own operations or through value chain
S4	SBM-3	10 c		Description of activities that result in positive impacts and types of consumers and end-users that are positively affected or could be positively affected
S4	S4-1	16 a		Disclosure of general approach in relation to respect for human rights of consumers and end-users
S4	S4-1	16 b		Disclosure of general approach in relation to engagement with consumers and/or end-users
S4	S4-3	25 d	AR 24	Disclosure of how issues raised and addressed are tracked and monitored and how effectiveness of channels is ensured
S4	S4-4	31 c	AR 36	Description of additional initiatives or processes with primary purpose of delivering positive impacts for consumers and end-users

balma

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