

# Code of Conduct



Verhaltenskodex | Code of Conduct of Julius Blum GmbH, Industriestraße 1, 6973 Höchst, Austria, in the version from February 2023;  
valid for all companies over which Julius Blum GmbH has supervisory authority.

Blum believes people are what matters. We are a company that embraces diversity and rejects any form of discrimination. Gender-neutral language is therefore important to us. If we have not included a gender in our text or wording, this is due to a lack of alternatives, to maintain readability or unfortunately sometimes due to an inadvertent omission.

# Our value system is reflected in two fundamental principles.

Dear Employees,

We have remained true to the principles and values of our company ever since they were first defined by Julius Blum all those decades ago. We may have developed and refined the way in which we collaborate with our partners and meet our obligations in day-to-day business, but our core principles have barely changed. Our values form the binding foundation for our actions and are reflected in two core statements:

**"We need to ensure the company has a long-term future for the sake of our employees."**

**"We pursue a prudent financial policy in order to maintain financial independence and thus freedom of choice for our company for as long as possible."**

Stability and reliability in our day-to-day business life are an important part of our international success. Loyal, long-term business partners are a byword for mutual trust. The way we act every single day determines how our company is perceived and promotes our brand promise of the five fingerprints: approachable, committed, dialogue-driven, attentive and explorative.

The size and international presence of our company have made it necessary to draw up a Code of Conduct which defines the core principles (values) of how we interact with each other, with our suppliers and customers. The Code of Conduct has been discussed in depth and adopted by the Corporate Management Group. It requires us to act ethically, lawfully and with integrity; it must be observed by all employees and forms the basis for our joint success.

By making this declaration, we consciously undertake to act with personal responsibility. We also view this obligation as encompassing a need to work together with our business partners to implement our values and positions in their field of activity. This declaration does not give rise to any rights to third parties.

The Management Board of Julius Blum GmbH in February 2023

## The Code of Conduct provides us with guidance and a basis for decisions.

The Code of Conduct applies to all our employees and contractual partners.

The Code of Conduct is aimed at all employees worldwide and at all contractual partners acting in the name of Blum. It is mandatory for all persons and outlines the expectations of the company; at the same time it serves as a **guide for our conduct** and a decision-making aid for complex questions regarding proper conduct in daily business.

The Code of Conduct contains the contact details of persons to be contacted in the event of uncertainties and questions. Contents will be communicated to all employees in in-house training sessions in order to enable them to perform their daily activities based on these principles and in line with this Code of Conduct.

Violations of this Code of Conduct jeopardise the fulfilment of our core statements and can have significant consequences.

In addition to personal liability under criminal law, violations of the Code of Conduct may have serious consequences and incur significant reputational damage for the company, thereby adversely affecting the fulfilment of our core statements (see page 3). Adherence to the Code of Conduct is therefore a key foundation for any employment relationship at Blum. We will handle any incident that is not compliant with this Code of Conduct accordingly.

Adherence to the regulations under this Code of Conduct is a matter of course.

In the event of uncertainties regarding the interpretation of the guidelines, both core principles mentioned at the start should be used as an interpretation aid. It goes without saying that applicable laws and other binding regulations must be adhered to; if these exist, there is **no leeway for discretion**.

Common sense must be used at all times. Interests of the company take precedence over individual interests.

If no laws or other binding regulations exist, the Code of Conduct forms the highest guiding principle for our actions. It should always be read and interpreted with a healthy dose of common sense. However, we realise that at certain times in day-to-day life, circumstances may arise which make it look difficult to make the right decision. In such cases, in addition to the principles described above, the following questions may serve as a **guide**:

Guiding questions

- Do my actions comply with the company's and my own personal values?
- Can I in good conscience take responsibility for my actions?
- Are my actions in the best interests of the company and free from any competing personal interest?
- Can I disclose my actions internally and to third parties without problems?  
What effect would it have if my actions were published in the press?
- Would the good reputation of the company be preserved as a result of my actions?

Contacts

If the answer to each of these questions can be answered with "Yes", the conduct is most likely justifiable. Should this not be the case, the persons mentioned in the "Contacts" section are available for advice at any time.

## Product safety, quality assurance, customer and consumer interests

**We create customer-focused, safe products and services that are of high quality.**

We would like to shape future trends together by offering innovative high-quality products that create true added value and providing services that facilitate our partners' processes.

Alongside innovation, we strive for **high quality standards** that meet or even go beyond legal and technical (safety) standards. Our products and services must not pose a risk to people or property in any way.

To continue our success on the market, we have to adapt to market conditions and offer exceptional, trendsetting products by continuously optimising development and production processes. This applies to the same extent to services that we use to support our partners. We want to preserve the interests of all those involved in the supply chain and offer manufacturers, fitters, sellers and consumers of furniture the greatest possible advantage ("global customer benefits") and permanently set us as a company apart from our competitors.

The needs and wishes of our customers and suppliers are extremely important to us. To this end, we maintain an active and open dialogue and can therefore design our products and services in line with customer requirements and further improve quality.

Our aspiration is to offer our customers innovative high-quality products and services that are safe and flawless.

We see ourselves as a partner to our customers. Everyone should benefit from our products and services ("global customer benefits").

We maintain an active and open dialogue with our business partners to improve our products and services.

## Environment and energy

**We contribute towards environmental and climate protection through resource-conserving production, long-lasting products and compliance with the restricted substances list.**

The longevity of our products makes a significant contribution towards environmental and climate protection.

It is of great importance and an incentive to us to preserve natural resources for future generations. We are seeing one of the biggest challenges of our time when it comes to climate change and protecting our environment. We firmly believe that economic and environmental considerations must go hand in hand if we are to build a sustainable business. The economical use of land alongside resource-saving and energy-efficient building, production and logistics as well as the longevity of our products form our daily contribution to environmental protection, which we see as an ongoing responsibility.

Sustainability

For Blum, sustainability means authentically and **wholeheartedly assuming responsibility** so that:

- Our company has a long-term future
- We preserve the environment for the next generation by conserving resources, closing cycles and observing environmental standards
- We make a contribution to societal progress and social development for all interest groups
- We are and remain a long-term partner with trusted quality for our customers and suppliers

We promote further education on environmental topics and continuously share knowledge related to the entire value added chain.

Sustainability is a key component in the design and improvement of our processes and decisions.

We see our environmental and energy policy as our responsibility and we commit to the continual evaluation and reduction of impacts on the environment caused by operating processes. In this respect we view all employees as having a personal, shared responsibility.

Where environmental pollution cannot be avoided, we reduce this as much as possible. To this end, we finance the investments needed to make processes more efficient and improve technical infrastructure.

## Employees – achieving goals together

The success of our company is greatly influenced by our employees' identification with the company as well as their readiness to learn and perform. In a safe **environment of mutual trust and open dialogue**, we can develop our skills and put them to use in the best possible way.

### Equal opportunities and diversity

Equal opportunities and diversity are important cornerstones of a fair and open culture without prejudice. We pursue **diversity and tolerance** with the aim of achieving the highest degree of productivity, creativity and efficiency.

We provide a work environment that is free of discrimination of any kind, for example due to age, gender, religion, philosophy, ethnicity, background, political beliefs or sexual orientation.

### Fair and social engagement and working conditions

Treating each other with respect without exploiting positions of power is at the heart of our fair and social interactions with each other. The observance of legal regulations is as much a matter of course for us as the categorical exclusion of any form of child or forced labour.

We observe the applicable legal regulations and wage conditions and pay our employees at least in accordance with these specifications.

We are committed to ensuring freedom of association and assembly for employees and collectively agreed rules in cooperation with employee representatives.

### Health and safety

It is the responsibility of the company and all employees to avoid risks to people. In the design of our work processes and work environment, we take care to comply with legal regulations regarding working hours, breaks, leisure time and employee protection.

Furthermore, we take care to maximise **psychological safety/protection against psychological discomfort** for our employees in their work environment. We take particular care to ensure that their health is not adversely affected by the working conditions.

We contribute to ensuring the social security of our employees with regard to illness, accidents, unemployment and pensions within the framework of the statutory or locally applicable social insurance system.

Our employees' identification with the company and their readiness to learn and perform determines the success of our company.

Equal opportunities, diversity and tolerance as well as the avoidance of discrimination in any form are also key cornerstones in our daily interactions with each other.

We treat each other with respect, are committed to ensuring freedom of association and assembly and observe applicable collective wage agreements.

Protecting the health and safety as well as the social security of our employees is very important to us.

## Working with business partners, agencies and authorities

### Sealed with a handshake

Dealings with our business partners are characterised by long-term collaborative relationships and as open an exchange of experiences as possible. This helps to ensure that our partners also uphold our values.

Our business partners largely identify with our product and corporate philosophy. This is the only way we will succeed in implementing **global customer benefits** across the entire value added chain. For this reason, a uniform presence on the market is important. We choose our business partners carefully and support them based on the objectives and values defined in this Code of Conduct. We therefore strive for long-term business relationships and knowledge sharing driven by open dialogue. We value competent and critical business partners and we choose our partners based on these aspects.

At the start of and during any business relationship, a **sincere handshake** is a symbol of long-term collaboration and aligned values.

### Integrity forms the basis for our business activities

We avoid business dealings that could suggest the merest hint of unethical behaviour.

Proper conduct and integrity in day-to-day business form the basis for trust in our company. The merest hint of unethical behaviour is to be avoided.

Proper and appropriate relationships with all business partners, government officials and authorities are a sign of professionalism and integrity.

Proper and legally compliant relationships with all **business partners, government officials and authorities** as well as professionalism and integrity are integral to all our activities and the basis of our business decisions. We distance ourselves from any form of corruption or bribery. There must not be even a hint of corruption in any situation.

The definition of government official properties varies by country. In principle, government officials can be considered to be persons who, by appointment or election, hold a legislative, administrative or judicial office in one state, as well as a person who performs public functions for another state, including an authority or a public body.

We do not offer and accept gifts or invitations that could influence the recipient or us in the decision-making process. This applies both to our business partners and to government officials. For the latter, special care is required.

In addition to the ethical principles, specific legal regulations and internal guidelines exist in some countries which must be observed in this context.



## Conflicts of interest, political neutrality

**In the event of a conflict of interest, our company's interests take precedence.  
We want to avoid our company being used as a political stage.**

In our day-to-day work, situations may arise in which our personal interests clash with those of the company. In the event of such a **conflict of interest**, we are obligated to act solely in the company's interests. We endeavour to avoid such situations whenever possible. If this is not possible, we are committed to handling all potential and actual conflicts of interest in a transparent manner and will disclose such matters to the contact responsible (direct line manager) immediately and as a matter of course.

Potential conflicts of interest may result in the context of the following:

- An economic engagement with competitors or business partners.
- Secondary activities may clash with our duties or lead to a conflict of interest.
- Personal connections to persons affiliated with our business partners (relatives, friends, acquaintances, etc.).

We are committed to **freedom of thought, speech, assembly and association**.

The existence of a Works Council and the election campaigns held in this context are important aspects of our interactions with each other.

At the same time, we want to avoid our company being used as a political stage.

That is why we do not permit any person, party or party-affiliated organisation to carry out canvassing in our company during the pre-election period. In this way we avoid any insinuation that we as a company are closely associated with a specific political group.

Should an employee be asked to hold a political function, this appointment must not have any adverse effect on their activities or duties in the business. For this reason, agreement must be established with the company in order to align individual and business interests in the best way possible.

In the event of a conflict of interest, our company's interests take precedence. It is important that we address rather than conceal conflicts of interest so that these can be dealt with in a transparent manner and in the interests of the company.

We are committed to freedom of thought, speech and assembly.

Our company should not be used as a political stage.

Should an employee hold a political office, this must not have any adverse effect on their activities and duties in the business.

## Donations and sponsorship

### We uphold our social responsibility towards the community with donations and sponsoring activities.

The purpose of the donation must align with the values and interests of our company.

Donations are only permitted if the sponsored recipient and the purpose are **aligned with our values and interests**. This includes in particular organisations, associations and non-profit institutions that are involved in charitable and social activities in our local community.

Sponsoring is provided on the condition that it generates an appropriate amount of advertising.

As part of our sponsoring activities, we support various groups, associations, organisers, institutions and expect appropriate advertising in return. Furthermore, it is our goal to strengthen the presence and reputation of our company in the region and develop the positive perception of Blum over the long term.

## Antitrust and competition law

### We do not engage in unfair competition and do not tolerate such practices against us.

We do not enter into agreements or set regulations (e.g. regarding price) that adversely affect free competition.

Restrictions on free competition and thus violations of competition and antitrust laws are incompatible with our value system and corporate culture. We ensure awareness of basic legal principles internally as part of regular training sessions so that we can perform our daily activities in compliance with the law. If we cannot answer a specific question in a satisfactory manner, we are obligated to obtain advice.

Violations of antitrust and competition law have consequences for the company, us personally and our business partners.

Violations of national or international competition and antitrust laws may have **serious consequences** for our company, for us personally and for our business partners. These can include extremely high financial penalties, indemnity payments and reputational damage through to criminal sanctions. In the event that competition authorities initiate enquiries with us or conduct an unannounced search, we cooperate with the authorities and do not destroy any documents or data.

However, we do not tolerate misleading statements from competitors that disparage our products, services, employees or the company in part or as a whole, and we will make a stand against any form of unfair competition.

## Know your customer, know your supplier and export control regulations

### We want to know who we are doing business with!

We observe customs, trade and export control regulations and other sanctions regulations and oppose any form of fraud, theft, misappropriation, money laundering and terrorism financing.

We are obligated to **know our business partners, their shareholders and authorised representatives and to check payment flows**. This data is checked against public statutory sanctions and restricted lists, and we monitor every incoming payment.

Customer payments via third parties are prohibited in accordance with our terms and conditions and will not be considered as legal payment. In the event of **impermissible third party payments**, we will refuse receipt of the funds and immediately request an explanation. In the event that the explanation is not received promptly, at all, or is not credible, we will return the funds and terminate the business relationship.

We ensure that our specialists in the logistics department comply with import and export regulations and customs laws. We do not carry out any transactions that would violate international export control regulations.

We perform sanctions list checks and oppose fraud, theft, misappropriation, money laundering and terrorism financing.

We are obligated to know who our business partners are, their shareholders and managing directors.

Third party payments are prohibited and shall not be considered legal payment.

Our logistics department monitors compliance with import and export regulations and customs laws.

## Regionality – local environment and neighbours

### Promotion of the region and fair dealings with our neighbours are our highest priority.

We endeavor to achieve this goal by creating jobs, encouraging the use of public transport or car sharing, designing appropriate buildings and minimising emissions. In addition, we strive to obtain primary products and services locally as far as possible in order to **promote local added value** and avoid long transportation routes.

We feel connected to our region and the regional added value.

## Taxes as a contribution to social development

### Our financial accounting is proper, correct and transparent.

We record all transactions correctly and in full.

We are an international company and are therefore subject to a wide range of local and international tax regulations. We observe the applicable standards and principles for financial reporting, the legal regulations on public information (register publication) and record all transactions correctly and in full. We do not intentionally supply false or misleading information in financial accounting documents; **any form of balance sheet manipulation is prohibited**. Our financial statements achieve a true and fair presentation of our operative business, our assets and our financial situation.

The payment of taxes is a significant contribution to the development of the respective country.

We consider the payment of **taxes as a significant contribution** to the social development of the respective country and as a boost for the markets relevant to us. We observe the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations and are committed to cooperating with the respective tax authorities and paying taxes and fees resulting from our commercial success.

Our business documents are stored securely.

In addition to properly and accurately recording our business transactions, we ensure that the documents and records are stored securely for the duration of the legal retention period.

## Confidentiality of information, data protection and external communication

### The confidentiality and protection of personal data is important to us.

We protect the value of our **research and development activities**, our brands and the know-how and reputation of our company in general. We also respect the existing intellectual property rights of third parties. To protect our ideas, services and achievements, as well as the underlying financial investments, we restrict the content, type and quantity of **information** that we share with third parties or the public.

We use this information solely for the purpose of completing professional tasks in the interests of our company. We only share confidential information with third parties if non-disclosure or confidentiality agreements have been signed and the sharing of this information is justified. We take great care not to copy or use protected intellectual property or the confidential information of third parties without proper entitlement or authorisation.

We comply with **data protection** and respect the privacy of our employees and business partners. When implementing the applicable data protection laws, we obtain all necessary declarations of consent for the processing and use of personal data. The use and sharing of personal data, both inside and outside of the company, is carried out exclusively within the scope of legal provisions.

We abide by **copyright law** and do not engage in any illegal procurement or distribution of copyrighted content. We observe license terms for the use of software provided by external suppliers. Pirate copies or unlicensed software must not be used. Our IT infrastructure will not be used for any illegal or improper activities, or for activities contrary to contract, against persons, IT systems and network components or the applications which run on them.

We protect our IT systems by means of technical and organisational measures and exercise the greatest of care with all commercial information. We do not share any unnecessary information from or about our company.

In order to present a uniform image and to ensure we speak with a single voice both internally and externally, all statements and press releases will be released exclusively by the designated bodies. This policy applies to both digital and conventional communications.

We protect our R&D activities as well as our brands and know-how!

We respect the intellectual property rights of third parties.

Confidentiality is a matter of course for us; we also expect this from our partners.

We observe data protection regulations and obtain the necessary declarations of consent to process personal data.

We respect copyrights and license our software.

We protect our IT systems and all commercial information.

Statements and press releases are issued centrally by the responsible departments.

Anyone who violates applicable laws, the Code of Conduct, and related internal guidelines must take responsibility for their actions.

Communication channels

Every case is taken seriously.

## Reporting office and contact

We perform our daily activities with professional judgement, integrity and in accordance with this Code of Conduct. Together we share the responsibility of adhering to our values and recommended courses of action. **We must act lawfully, ethically and responsibly.** Anyone violating this principle must bear personal responsibility and will be answerable for their actions.

We expect that the rules outlined here as well as regulations that go beyond those stated in this Code of Conduct are adhered to. Any misconduct or violations of these rules will be addressed directly. If a direct conversation is not possible or would be unsuitable, the following **communication methods** are also available:

- Inform the immediate line manager
- Inform one or more members of the Corporate Management Group
- The Works Council, if present in the respective company
- Inform the central reporting office

Our **central reporting office** can be turned to to report concerns. It can be contacted via our homepage. Concerns may also be reported anonymously.

Line managers, members of the Corporate Management Group and contacts are instructed to:

- Take all concerns seriously and investigate these efficiently and in good time
- Assess matters objectively and without prejudice
- Take appropriate corrective measures and propose sanctions to the Management Board if concerns are found to be valid
- Document all case-relevant information including the decision made

Submitting false accusations either intentionally or through gross negligence will not be tolerated and appropriate action will be taken.

## Contact

Should you have any questions or uncertainties regarding the Code of Conduct, you can contact your line manager or send an email directly to **code.of.conduct@blum.com** or for questions on data protection law to **privacy@blum.com**.

## Our expectations of our business partners

We want to work with partners who act in accordance with the principles of our Code of Conduct.

With respect to the special requirements of our partners in the supply chain, our **Supplier Code of Conduct** defines additional principles regarding the environment and human rights. Adherence to these requirements is an essential precondition of forming a business relationship with Blum.

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Our sites in Austria, Poland and China are certified to the international standards mentioned below.  
Our site in the USA is certified to ISO 9001.  
Our site in Brazil is certified to ISO 9001, ISO 14001 and ISO 45001.



**ISO 9001**  
Certified Quality  
System



**ISO 14001**  
Certified Environmental  
System



**ISO 50001**  
Certified Energy  
System

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