



# SUSTAINABILITY REPORT 2023





**MOVING IDEAS FOR  
SUSTAINABILITY**

#### Legal notice:

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# About this report

This report has been compiled for the benefit of all our stakeholders and contains detailed information about the actions we are taking as a business to make our activities more sustainable. Under the tag line 'moving ideas for sustainability', we are working hard to promote sustainability across our company and address all relevant environmental, economic and social factors.

**Central to these efforts are two key questions:**

1. What progress have we made so far on our sustainability journey?
2. What are our biggest challenges on the road to a sustainable and, most importantly, climate-neutral future?

## Standards and frameworks

This report confirms our commitment to sustainability and has been published in preparation for meeting the requirements of the EU's Corporate Sustainability Reporting Directive (CSRD). It has been produced in line with the reporting guidelines of the Global Reporting Initiative (GRI) and in accordance with the GRI Universal Standards 2021. These standards provide us with a foundation for comparisons and increase the credibility and transparency of the information contained in this report. To this end, a GRI content index containing a detailed list of all disclosures and references can be found at the end of the report. Moreover, we believe it is important to understand the wider context for our sustainability responsibilities and reporting. As a global company, we have therefore aligned our sustainability efforts with the UN's Sustainable Development Goals (SDGs), further details of which can be found in the relevant chapter of this report.

## Scope of reporting and contents

The information contained in this report covers the eight plants operated by Julius Blum GmbH in Austria. We do not, as yet, have sufficient data for our other production sites and sales locations and therefore plan to include these in future reports. This report also focuses specifically on the sustainability topics (and relevant management strategies) identified in our materiality assessment, as recommended by the GRI. This assessment was updated with the implementation of a double materiality assessment to ensure compliance with the requirements of the upcoming CSRD and also expanded to examine our fields of action in greater depth. The structure of the report reflects these material topics and addresses each of the ESG categories – environment, social and governance – in turn. Brief overviews are provided, setting out the importance of a particular topic and the action we as a business are taking to address it. The data contained in this report covers the 2022/2023 business year, which extends from 01/07/2022 to 30/06/2023. → GRI 2-2, GRI 2-3

## Contact

Any questions about this report or sustainability at Blum more generally can be directed to [info@blum.com](mailto:info@blum.com). This sustainability report has not been audited by an external party, but has been approved for publication by the Management Board. → GRI 2-5



## Foreword from the Managing Directors

Being sustainable is about taking responsibility for protecting our future and creating a world where our children and our children's children can thrive. As fathers and business leaders, we know that this responsibility lies with us. And it matters more now than ever before. The world we live in is changing fast and these changes are bringing with them enormous social, economic and environmental challenges.

If we are to overcome these challenges, we must shift our focus to the long term and think and act more sustainably. We must stop defining ourselves by our short-term successes and financial results, and instead develop strategies and actions that ensure our business is making a real difference in the long term. We must have the courage to change and establish a clear vision for our business that puts sustainable products and services centre stage.

How do we make this vision a reality?

We produce high-quality, high-performance products that are built to last for as long as possible. We establish closed-loop cycles for our raw materials and waste products and scrutinise every aspect of our procurement chains for our raw materials. We prioritise climate-friendly transport and logistics solutions and work hard to minimise our environmental impacts. And we invest in new sites and infrastructure, always conscious of the need to make them as sustainable as possible by minimising the footprint of our buildings, installing smart energy management systems and creating green roofs to promote biodiversity. As one of the largest employers in a vibrant economic region, we also continue to make training opportunities for young people a top priority. And we continue to uphold our commitment to creating an open and friendly working environment where all staff feel valued regardless of their gender, sexual orientation, ethnicity or religion.

In all these areas, we are continuously looking for ways we can do better – collecting ideas and taking targeted action to make our business more sustainable and fit for the future. We know that these are just the first steps and that there is still a long road ahead. But we'll tread this path together. Each and every one of us. Because sustainability impacts us all, including future generations.

Philipp Blum

Martin Blum

A handwritten signature in black ink, appearing to read 'Philipp Blum'.

A handwritten signature in black ink, appearing to read 'Martin Blum'.

## MOVING IDEAS FOR SUSTAINABILITY

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## Company profile

Julius Blum GmbH is a family-owned company that operates worldwide, specialising in the manufacture and distribution of furniture fittings. Our main product groups are lift, hinge, pull-out and pocket systems for furniture. To make life easier for our customers and partners, we also offer supplementary assembly devices and services to support marketing, purchasing, manufacturing and assembly processes for our products. The company has more than eight plants in the Vorarlberg region of Austria, along with production sites in Poland, Brazil, China and the USA. We also have 32 subsidiaries and representative offices around the world, which distribute our products and services to customers in more than 120 markets.

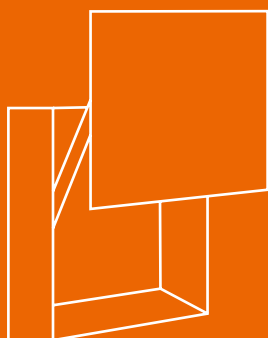
### Organisational structure and governance

The Blum Group is an owner-managed family company. Its managing directors Martin Blum and Philipp Blum each have a 26% share in the business and the remaining 48% is held by the Blum Private Foundation. The highest management body within the Blum Group is the Executive Board of Blum Group Holding GmbH, which is sole shareholder in Julius Blum GmbH, the highest-rank operationally active company within the Group. Both managing directors of Julius Blum GmbH (hereinafter 'the Managing Directors') belong to the owner family, share equal rights with regard to the business and are appointed for an indefinite period. The Management Board of Julius Blum GmbH is appointed by Blum Group Holding GmbH as sole shareholder. Both the Managing Directors are members of the Management Board. The Supervisory Board of Julius Blum GmbH has six members, two of whom are selected by the works council to represent the interests of the employees, while the Supervisory Board of Blum Group Holding GmbH has three members.

In accordance with the legislation (Section 22 of the German Act on Limited Liability Companies (GmbHG)), the Managing Directors Martin Blum and Philipp Blum are responsible for establishing the governance structure of Julius Blum GmbH, including the creation of the various specialist divisions. The heads of these divisions and the members of the Management Board together form the internal Corporate Management Group, which is responsible for the operational management of Julius Blum GmbH. → GRI 2-9, GRI 2-10, GRI 2-11, GRI 2-15, GRI 2-16, GRI 2-19

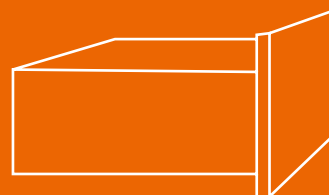
## Our products and services

Our business operations focus on the manufacture and distribution of lift, hinge, pull-out and pocket systems and motion technologies, as well as the provision of supplementary assembly devices and other support services. The following product groups lie at the heart of our business:



### Lift systems

Our AVENTOS lift systems come in many different variants including our bi-fold lift systems, up & over lift systems, lift ups and stay lifts.



### Pull-out systems

We offer box systems (LEGRABOX, MERIVOBX, TANDEMBOX) for metal drawers and also runner systems (MOVENTO, TANDEM) for wooden drawers.

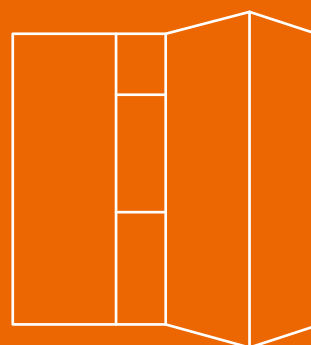


### Hinge systems

Our extensive range of hinge systems includes stand-out products such as our latest generation CLIP top BLUMOTION hinge with integrated soft-close mechanism and excellent compatibility with different opening angles.

### Pocket systems

Entire furniture units can be cleverly concealed with the help of our REVEGO slide-in door system.

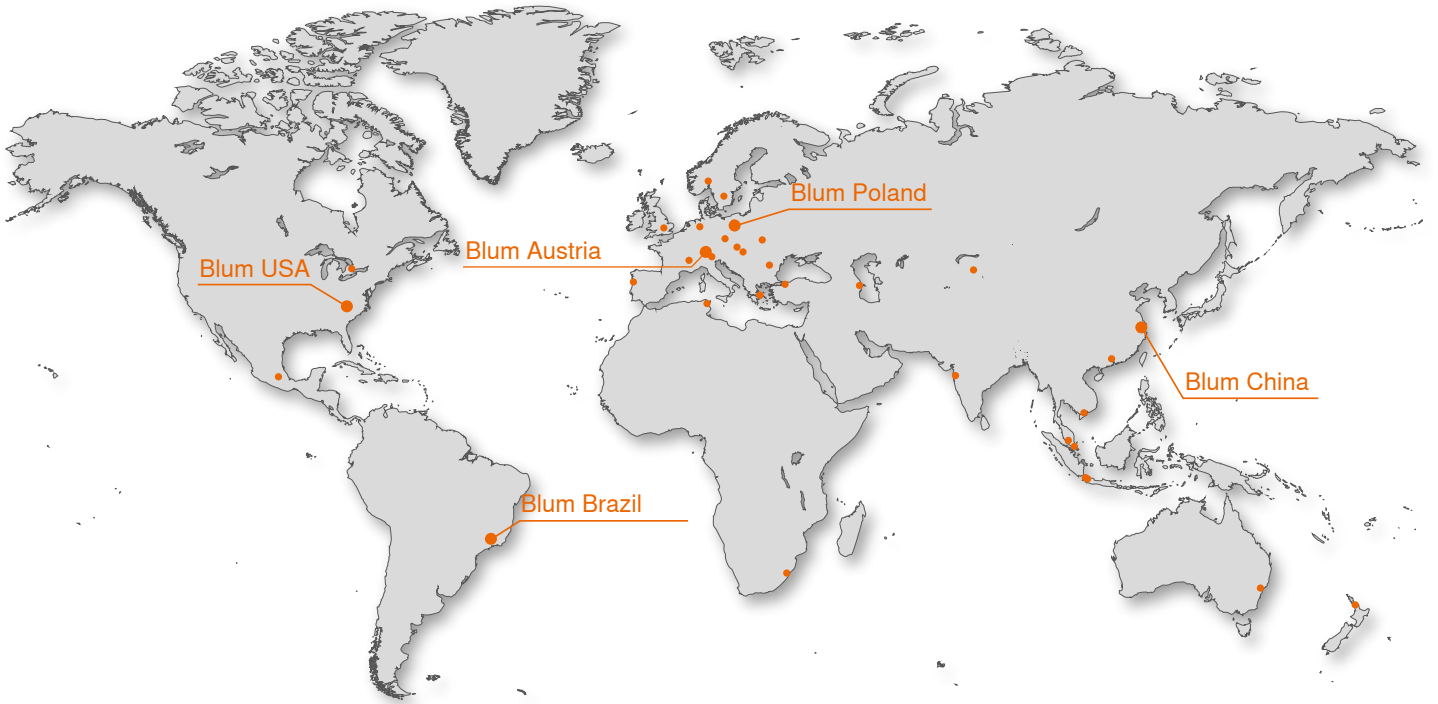


Our mission is to create innovative and high-quality products that make a lasting difference to the way our customers live their lives. We are committed to finding the best possible solutions for our customers' requirements and are therefore continually looking for ways to improve our products. This includes keeping a close eye on more general lifestyle and furniture trends – e.g. optimised storage solutions, smart furniture and the home of tomorrow – and using these insights to create new product groups and variants featuring innovative motion technologies such as soft-close or electronic opening mechanisms.

We pride ourselves on delivering a comprehensive service for our business customers and manufacturers and on making their lives as easy as we can. That's why we offer an extensive range of services and assembly devices to support our customers in their marketing, purchasing, planning, manufacturing and assembly work. These include our online Cabinet Configurator and MINIPRESS top drilling and insertion machine featuring our EASYSTICK automatic ruler system. → GRI 2-6

## Our production sites and sales locations

The Blum Group currently has 32 subsidiaries and representative offices serving its customers across the globe. We also have eight plants in the Vorarlberg region of Austria and four production sites in Poland, Brazil, China and the USA supplying products for 120 markets around the world. → GRI 2-1



Blum Azerbaijan

Blum Australia

Blum Brazil

Blum China

Blum Germany

Blum France

Blum Greece

Blum Hong Kong

Blum India

Blum Indonesia

Blum Canada

Blum Kazakhstan

Blum Malaysia

Blum Mexico

Blum New Zealand

Blum Norway

Blum Poland

Blum Portugal

Blum Romania

Blum Sweden

Blum Switzerland

Blum Singapore

Blum Slovakia

Blum South Africa

Blum Czech Republic

Blum Tunisia

Blum Türkiye

Blum UK

Blum Ukraine

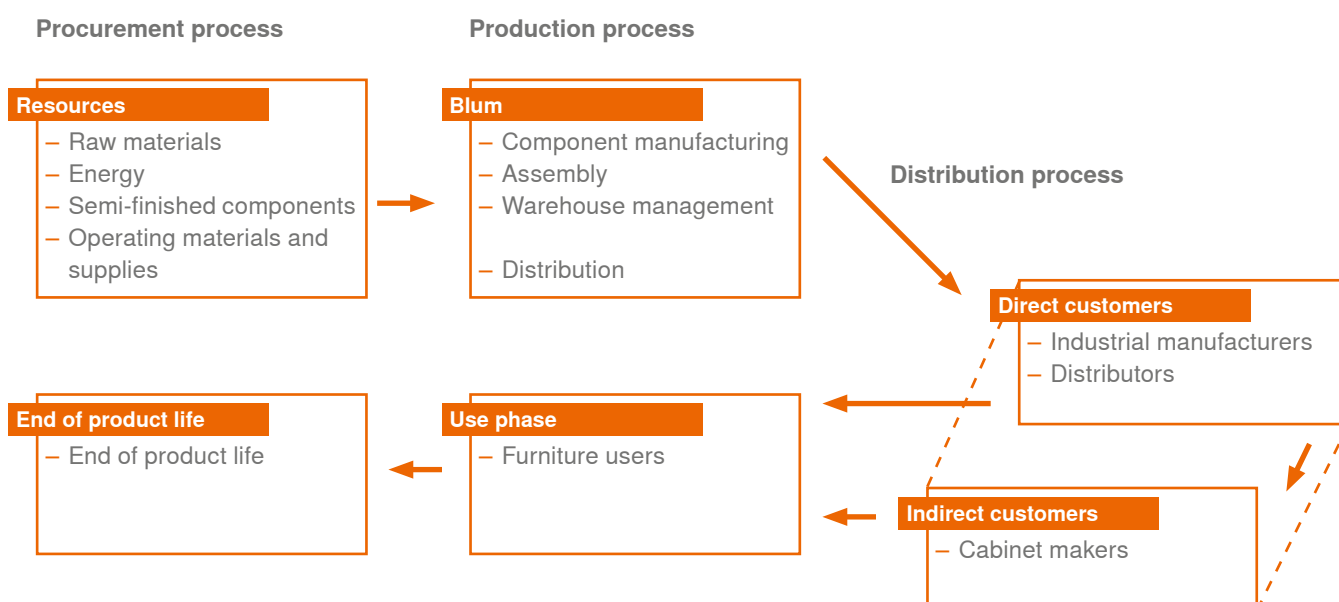
Blum Hungary

Blum USA

Blum Vietnam

## Our value chain

Our core business is the development, manufacture and distribution of functional fittings for the furniture industry. Ultimately, we want to make end consumer's lives easier and more comfortable by supplying opening and closing solutions for pull-outs, lift systems and doors as well as associated motion technologies. However, the process of getting a hinge, lift system or roller runner finally installed in a kitchen, living room or bathroom is a complex one involving several stages. For us, it is vital that we keep the entire value chain in mind – from the procurement of the raw materials right through to the assembly of the finished product. We firmly believe that Blum products and services should benefit everyone involved at each stage of the value chain. For end consumers of the furniture products, this means that their furniture not only looks great but is also highly functional. For cabinet makers, it means that units are easy and convenient to assemble. For salespeople it means that they always have convincing selling points to hand, and for furniture manufacturers it means access to innovative product systems and efficient manufacturing processes. Our aim at every stage is to minimise any negative impacts of our business activities and create long-term added value, be that financial, environmental or social. It is a commitment that we uphold throughout our value chain, a simplified diagram of which can be seen below:



The process up to the point when a product is finally installed in the end consumer's home can be divided into several stages. The first is the **procurement process**, which involves sourcing all the necessary resources, raw materials, semi-finished components, auxiliary materials and supplies (more information in 'Responsible purchasing' chapter). This is followed by the **production process**, which includes both the manufacturing of individual product components and the assembly of those components to produce the finished product. Once complete, the products are put into storage, at which point efficient logistics and warehouse management come into play, including the provision and management of the relevant infrastructure. Finally, the products enter the **distribution process**, where they are delivered to our direct customers, retail partners and industrial manufacturers using the most efficient – and environmentally friendly – means possible. At all stages, we seek to put our customer's specific requirements centre stage, e.g. with respect to the product design, the manufacturing possibilities and the range of products (and product variants) that we offer. We also take into account the requirements of the end consumers who will use the furniture during the **use phase** and whose lives we ultimately want to make easier and more comfortable. At the **end of its product life**, the furniture is ultimately disposed of – ideally using a professional recycling service. → GRI 2-6

## Our values and principles

As a company, we continue to uphold the values and principles first established by our founder Julius Blum. Our value system is underpinned by two fundamental principles that lie at the heart of all our operations.

”

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

”

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

By consistently upholding our values and principles in our everyday operations, we demonstrate the type of business that we are and confirm our position as a reliable business partner. Our sustainability agenda is an important part of this. We see no tension between economics and the environment. On the contrary, we believe that by pursuing sustainable business practices, we benefit both our bottom line and the planet. For us, preserving our natural resources for future generations is both a necessity and an opportunity, which is why we are working to help build a better future wherever we can.

## Our approach and strategy

Stability and reliability are central to our approach to our everyday business operations. Our business strategy reflects this approach and unites it with our values and purpose as a business.

### Company identity and organisation

We see our company as a living organism that must adapt rationally and transparently to developments in the short, medium and long term and modify its structures as best possible to maximise the added value we deliver. By creating networks of employees based on available resources and skill sets, we seek to promote the principles of strong collaboration and shared dialogue, without losing sight of employees' core workplace responsibilities. The dynamic nature of these networks ensures that overarching topics, such as sustainability, remain front of mind and that the right people come together to address these issues, including from outside the business (see 'Spotlight on our people' chapter).



## Employee and organisational development (the Blum Path)

The all-round development of our employees and company is our top priority at Blum. The Blum Path is our shared commitment to achieving these development goals. It provides us with both guidelines and targets and, as such, is an important component of our social sustainability efforts (see 'Knowledge and learning' chapter).

## Strategies, trends and innovation

We continually develop our strategies in response to ongoing changes in our everyday business activities. However, it is important that we also look ahead to ensure that our company is ready to tackle future opportunities and challenges. We therefore take the time to develop and implement our strategies as part of a collective process. We have created a network within the business and with some select market organisations that continuously monitors the latest trends (e.g. lifestyle, societal, economic and environmental) and assesses their potential impact for our company, including outside of our current core business. We talk transparently about any relevant trends within the company, and our trend network collaborates closely with our innovation network to ensure that these trends are integrated into our work. For us, innovation is the key to safeguarding our future because it empowers us to make continual improvements across all areas of our business. It also requires us to invest consistently in research and development. Thanks to this investment, over many years, we have cemented our position as a pioneering industry leader. Many of our product developments are considered milestones in furniture manufacture. For example, in May 2013, the hinge variant of our multiple award winning BLUMOTION soft-close system for pull-outs, doors and lift systems was awarded the European Inventor Award by the European Patent Office (EPO). We also rank consistently among Austria's top innovators year on year and have been granted over 2,100 patents worldwide.



## Quality policy

Our comprehensive quality policy underlines our commitment to meeting the requirements of our partners and customers, while also continuing to improve as a company.

The central pillars of our quality policy help guarantee the long-term future of our business and, as such, remain unchanged:

- **Customer focus:** Our mission is to create products, services and processes that deliver real benefits and added value for our customers and partners. We are committed to working together with them to deliver our vision for our high-performance, innovative and high-quality products and services.
- **Innovation:** Our innovation work is based on proactive engagement with our customers and partners so that we have a clear understanding of their requirements with respect to our products, services and processes. The knowledge and experience we gain through the innovation process are central to our quality policy.
- **Continual improvement:** We are always looking for ways to improve our existing operations and asking questions of ourselves as a company. It is crucial for us that we maintain open feedback channels with our customers and partners, since this information is key to improving all aspects of our business.
- **Employee focus:** The success of our business depends fundamentally on the dedication of our employees and their sense of identity with the Blum brand. By creating a climate of mutual trust and open dialogue, we hope to nurture a strong sense of commitment and loyalty among our staff. All employees are expected to uphold Blum's high quality standards through their actions.

## Sustainability

At Blum, we believe that preserving our natural resources for future generations is both a necessity and an opportunity. We understand that economic and environmental performance must go hand in hand if we are to run our business sustainably, which is why we are committed to doing everything we can to help build a better future (see 'Sustainability at Blum' chapter).

## Code of Conduct and Internal Control System

Our Code of Conduct and Supplier Code of Conduct set out the key values that underpin our business. These policies ensure that our values, which are fundamental to our corporate culture and company identity, are upheld as a binding commitment by all employees and contractual partners involved in Blum's business operations. Together with the applicable legislation and other mandatory regulations, our Code of Conduct serves as a guideline and decision-making tool in all matters relating to correct conduct in our day-to-day business. Our Supplier Code of Conduct, meanwhile, sets out our expectations for the conduct of our suppliers and other supply chain partners (see 'Partnership across the supply chain' and 'Business processes and compliance' chapters). → GRI 2-23

The purpose of our Internal Control System (ICS) is to ensure that everyone understands and follows all applicable rules and regulations within our company. In implementing this system, we aim to optimise our processes and procedures and also prevent any damage that could be caused by employees or third parties. The Internal Control System comprises both preventive measures that are directly incorporated into our business processes (e.g. segregation of duties in line with the four-eyes principle or access and authorisation rights in IT systems) and process-independent monitoring in the form of internal and external audits.



MOVING IDEAS  
FOR SUSTAINABILITY

# Sustainability at Blum

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## Sustainability at Blum

When it comes to sustainability, there is no quick fix – no simple switch that can be flicked or short-term project that can be wrapped up quickly. Sustainable business practices are vital for the future of our business, but they are also a long-term commitment that requires stamina and a fierce determination to succeed. That said, determination alone is not enough. If we are to play our part in a sustainable transition, we need a clearly defined roadmap. We must commit to achieving each of the steps along the way and keep finding new and better ways of running our business.

### Global challenges

Today's world is full of complex challenges that require immediate solutions – not least the global challenges associated with the climate emergency. Faced with these challenges, numerous businesses and entire industries are shifting their priorities away from a profit-driven approach, where success is defined solely by their bottom line, and moving towards more responsible business models. Businesses focused purely on financial gain are fundamentally out of step with today's changing world. Instead, companies need to set clear goals and take targeted steps to address the wide-ranging environmental, social and governance challenges we face. At Blum, we understand this and are responding with tangible action across all areas of our business.



**Every single one of us matters,  
because sustainability concerns us all.**

**Philipp Blum, Managing Director**

## Environmental challenges

Even at our own business sites, we are already seeing some of the impacts of the climate emergency. As a company within the metalworking industry, we understand that we have an important responsibility to reduce our environmental impacts and emissions across our supply chain together with all our partners. We take this responsibility very seriously. For instance, we are working intensively to increase the lifespan of our products further by putting product quality centre stage. We are promoting closed-loop material cycles, from our responsible and sustainable procurement practices right through to our recycling systems within production. And we are working to maximise our energy efficiency and opting to use renewables (hydropower, solar and biogas) to power our infrastructure, production facilities and transport operations across all our Austrian sites.

## Social challenges

As the largest employer in the Vorarlberg region of Austria, we are conscious of our responsibility towards our employees and wider society. In particular, we understand the need to address current trends such as demographic change and its impact on the employment market and the growing shortage of skilled workers. To help us tackle these challenges, we maintain extensive and respectful channels of communication with our employees and are rewarded, time and again, with valuable feedback and long-lasting loyalty to our company, which only serve to reinforce our belief in this constructive two-way dialogue.

Equal opportunities, diversity and zero-tolerance of discrimination in the workplace are all fundamental principles that underpin our corporate culture. Likewise, as defined in our Code of Conduct, we consider human rights, fair working conditions and compliance with minimum social standards to be central pillars of our business partnerships and we work together with our partners to address these issues through dialogue based on mutual understanding and respect.

## Economic challenges

As a family business, our financial priorities are to secure the long-term revenue of our company for the benefit of our employees and to maintain our financial independence and consequently freedom of choice in how we run our business. We are also conscious of the need to keep pace with the latest developments in national and international legislation. These changes can be challenging but we see them as an opportunity to push ahead with the sustainable transformation of our business and the industry as a whole.

For example, the EU-wide standardisation of the requirements for sustainability reporting under the Corporate Sustainability Reporting Directive (CSRD), the EU Taxonomy Regulation and the upcoming Corporate Sustainability Due Diligence Directive (CSDDD) provides us with an incentive to engage more intensively with sustainability topics in future. We are therefore already working hard to optimise our processes, such as our data collection methods, to ensure our organisation is compliant with the new legislation.

## Our proactive sustainability strategy

At Blum, we believe that it is vital to conserve our natural resources for future generations. We also believe that sustainable business practices are only possible if we strike the right balance between economic, environmental and social factors. This holistic approach is central to our sustainability agenda, which forms a core component of our overall business strategy. Our business strategy defines our company's values, business direction and purpose and sets out strategies for each area of our business. In line with this company philosophy, our sustainability strategy defines our long-term vision for how we as a business intend to contribute to the UN's 17 Sustainable Development Goals (SDGs), including in our everyday operations.

→ GRI 2-22

### High quality standards

Our core business is to produce high-quality, highly functional and user-friendly products that are built to last. In doing so, we seek to use resources carefully and avoid any damaging impacts on the environment.

### Innovation for the long-term

By thinking long-term, we can develop innovative ideas for new products, services and business models. If these ideas prove to be feasible and profitable, then we look to incorporate them into our investment decisions.

### Trusted partner

We show respect towards the people and organisations with which we are associated. The health and safety of those around us is of utmost importance to us.

### Committed to sustainability

We are committed to responsible growth. Ecological and social sustainability are just as important to us as the financial health of our company, and this belief is reflected in our investment decisions.

Source: Excerpt from Blum business strategy



## Sustainability management structure and monitoring

To manage, monitor and advance Blum's strategic actions and targets on sustainability, the Corporate Management Group of Julius Blum GmbH (more information in the 'Company profile' chapter) has established a Sustainability steering team, which provides regular progress reports. One of the members of the Corporate Management Group is also a member of the Sustainability steering team, which means certain strategic interventions can be made directly by the steering team. All sustainability measures, both general and case-specific, are approved by the Corporate Management Group before being implemented by the Sustainability steering team or the relevant specialist team within the company. The company's strategic sustainability targets are defined in advance with input from the Corporate Management Group and in line with Blum's company values. Based on these company-wide targets, the Corporate Management Group also defines specific strategic targets for implementation within the individual specialist divisions. As company owners, both Managing Directors are stakeholders in this process.

In addition, the Corporate Management Group has created an integrated management system (IMS) committee which is responsible for establishing, implementing and monitoring the various management systems needed to meet the company's sustainability targets. The IMS committee comprises the heads of the relevant specialist divisions and is led by our Head of Quality. Its remit includes the following areas: quality, environment, energy, AEO (authorised economic operator), customs duties, sanctions, internal control systems (in line with Section 22 of the Austrian Act on Limited Liability Companies (GmbHG)), risk management, health and safety and information security. The IMS committee reports directly to the Corporate Management Group of Julius Blum GmbH. The relevant systems and functionality are also audited by the internal audit team on an ad hoc basis and external audits are conducted for certain specialist divisions. The purpose of networks like the IMS committee is to bring together staff members from different specialist areas, each with primary responsibility and reporting obligations for their own area but with a wider shared responsibility. The Management Board meets weekly and the Corporate Management Group meets monthly, while other committees and steering teams meet for a specific reason and/or to discuss a particular business need. Committees and steering teams report regularly to the Corporate Management Group (as the employer) and also usually include at least one member of the Corporate Management Group. → GRI 2-12, GRI 2-13, GRI 2-14, GRI 2-17



## In dialogue with our stakeholders

The motivation for our sustainability efforts and actions is twofold: naturally, we want to demonstrate our commitment to sustainable business practices, but we also want to respond to the needs and expectations of our stakeholders – i.e. all parties that have a personal and/or professional interest in our company, are impacted by the actions of our business or have influence over its future development. We therefore need to identify and classify our various stakeholder groups – i.e. whether they are impacted by or have influence over our business – so that we can understand their needs and requirements, and, in doing so, ensure we are setting the right targets, making the best possible decisions and taking the most effective action. The following diagram shows Blum's main stakeholder groups: → [GRI 2-29](#)



Internal	External
Owners	Customers
Employees	Suppliers/strategic partners
Works council	Networks
Supervisory Board	Authorities/legislators
	Public/media
	Communities/neighbours

Stakeholders	Description
<b>Customers</b>	With our products and services, we aim to deliver lasting benefits and added value for our customers around the world. We are committed to developing sustainable products with a highly functional, durable and aesthetically pleasing design. We therefore maintain personal contact and regular communication with our customers to ensure we are best placed to understand their needs and develop solutions in collaboration with them.
Frequency of interaction: ongoing or ad hoc	Dialogue format: customer consultations, real-life kitchen observations, audits, complaints handling
<b>Employees</b>	Our employees are the driving force behind our company and central to our long-term success. We therefore seek to maintain open, honest and equitable lines of communication with all our staff. If we are to achieve our collective goals and, at the same time, promote the personal development of each individual employee, we must create jobs that make sense for us as a business but are also challenging for our employees and give them a certain scope of influence. More detailed information about our approach can be found in the 'Spotlight on our people' chapter.
Frequency of interaction: ongoing	Dialogue format: employee information, employee events, day-to-day operations
<b>Owners</b>	As an international family company, we believe that sound environmental practices are ultimately good for business. We consider it our responsibility to look after both people and the planet and are committed to playing our part, not least because responsible and sustainable business practices are vital to the long-term future and financial independence of our company. Together, our Managing Directors hold a majority share in our parent company Blum Group Holding GmbH and, as the biggest shareholder, the Blum Private Foundation has a permanent seat on the Supervisory Board. This means the company owners are kept informed of any sustainability actions and business developments and can make strategic interventions where necessary.
Frequency of interaction: regular	Dialogue format: discussions, meetings, personal conversations at company premises
<b>Works council</b>	As the mouthpiece for the Blum workforce, the works council is actively involved in the company's sustainability efforts.
Frequency of interaction: ad hoc	Dialogue format: employee events, provision of information, advisory support
<b>Suppliers/strategic partners</b>	Our suppliers and strategic partners have an important interest in and major influence over Blum's business activities. We are committed to building long-term business partnerships where all partners are considered equal and work together to develop solutions and accelerate innovation and research. We expect our partners to share our sustainable approach and commitment to environmental, social and governance (ESG) standards and work together with them to promote these standards across our value chain.
Frequency of interaction: regular	Dialogue format: annual reviews and employee development dialogues, discussions, training, supplier surveys and audits

Stakeholders	Description
<b>Public/media</b>	The way we communicate with the public and the media plays a key role in shaping external perceptions of our company. We take pride in being transparent and authentic in our communications and therefore actively promote dialogue with these stakeholders.
Frequency of interaction: regular	Dialogue format: press conferences and press releases, trade fair appearances, interviews, one-on-one discussions, media enquiries
<b>Communities/neighbours</b>	With eight sites in Vorarlberg, Austria, our company is firmly rooted in the local region and believes strongly in building good relationships with our surrounding communities and neighbours. We work together with local communities to develop sustainability initiatives that benefit us all, such as green transport solutions and measures to keep emissions from our facilities as low as possible. Plans and solutions for specific company sites are developed in collaboration with the surrounding communities.
Frequency of interaction: regular	Dialogue format: personal conversations, neighbourhood discussions, press conferences
<b>Supervisory Board</b>	The Supervisory Board is the highest governance body within our company and is kept regularly informed of any sustainability actions and targets and progress towards these.
Frequency of interaction: regular	Dialogue format: regular schedule of Supervisory Board meetings
<b>Networks</b>	By joining partnerships and networks and actively participating in discussion forums dedicated to sustainability topics, we have the opportunity to exchange ideas with other businesses facing the same challenges as us. Industry and trade associations are, for instance, a valuable source of information and also an important platform for developing shared solutions to environmental and business challenges.
Frequency of interaction: ongoing, ad hoc	Dialogue format: planned events and networking opportunities (general and subject-specific)
<b>Authorities/legislators</b>	We are committed to ensuring compliance with legislative requirements, meeting our reporting obligations towards the regulatory authorities and completing any mandatory audits required by law across all areas of our business – and sustainability is no exception. We maintain open, honest and direct lines of communication with all authorities and consider this a fundamental part of running a responsible business.
Frequency of interaction: ongoing, ad hoc	Dialogue format: governmental reporting systems, interactions with local authorities (site development plans), mandatory audits (emissions)

## Our contribution to the UN Sustainable Development Goals

In 2015, the UN published its 2030 Agenda for Sustainable Development. At its heart are 17 Sustainable Development Goals (SDGs) and 169 sub-targets intended to promote sustainable development across three dimensions: social inclusion, economic growth and environmental protection. Overcoming the challenges in all three of these areas requires both new partnerships and innovative approaches.

At Blum, we use the 2030 Agenda as a guideline to inform our wide-ranging sustainability activities. We are determined to play our part in building a sustainable future and have therefore chosen to focus our efforts on those SDGs where we, as a manufacturer and distributor of furniture fittings, can have the most impact.



- Protecting the health, wellbeing and social security of employees (workplace ergonomics, occupational health management)
- Ensuring products are high-quality, safe and ergonomic to use (focus on customers)



- Pursuing a holistic approach to knowledge and learning across the company
- Providing comprehensive training and education (learning and development opportunities, Blum Path, qualifications, personal responsibility and social skills, future prospects)
- Delivering exceptional apprentice training (participation in national and international championships)



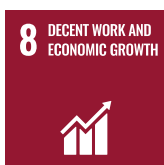
- Creating a working environment with zero tolerance of discrimination and prejudice and with open and equitable lines of communication
- Promoting equal opportunities and diversity
- Ensuring equal access to a range of career paths for young women and men



- Conserving resources and improving efficiency of water use (closed-loop water cycles)
- Monitoring wastewater management and discharge



- Energy and resource efficiency increased
- Using renewables
- Expanding and improving environmental and energy management practices



- Pursuing responsible growth
- Establishing humane working conditions and work processes
- Implementing proactive health and safety protocols
- Providing company healthcare



- Optimising use of resources right from product development stage
- Incorporating sustainability criteria into innovation and development process
- Implementing efficient production processes (modern infrastructure, continuous monitoring)


**11** SUSTAINABLE CITIES AND COMMUNITIES


- Acting as a sustainable partner and delivering added value to local region
- Implementing mobility plans to reduce use of private transport in local region

**12** RESPONSIBLE CONSUMPTION AND PRODUCTION


- Reducing total amount of waste generated (prevent, reuse, recycle)
- Using recycled materials
- Implementing closed-loop cycles
- Increasing usage rate for raw materials

**13** CLIMATE ACTION


- Improving corporate carbon footprint (Scope 1, 2 & 3 emissions)
- Optimising and reducing emissions throughout product lifecycle (product carbon footprint)
- Implementing climate-friendly transport logistics (switching to greener energy sources)

**15** LIFE ON LAND


- Promoting sustainable and responsible procurement of resources
- Implementing waste management plans (waste recovery, recycling)
- Taking action to improve biodiversity

**16** PEACE, JUSTICE AND STRONG INSTITUTIONS


- Strengthening compliance structures
- Upholding Blum Code of Conduct and Supplier Code of Conduct
- Providing whistleblower system (Blum Integrity Line)

**17** PARTNERSHIPS FOR THE GOALS


- Defining sustainability criteria for supplier evaluations
- Participating in networks (promoting dialogue around sustainable development)



## Material topics

We first defined the material topics that provide the foundation and framework for our sustainability management strategy in 2021. A year later, in 2022, we teamed up with external experts to conduct a double materiality assessment in line with the upcoming requirements of legislation such as the EU's Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). As a key requirement for sustainability reporting in line with recognised international standards such as the Global Reporting Initiative (GRI) and the CSRD, this materiality assessment provides the focus for our strategic sustainability planning. The structured assessment process enables us to identify the key sustainability topics both for our company and for our stakeholders. It also provides us as a business with the opportunity to address these topics and identify potential improvements we can make across many different areas. → GRI 3-1

## Step 1: Research/analysis

### Research and analysis

The team of external experts first helped us to analyse our upstream and downstream value chain and create a provisional list of material topics. This 'long list' provided an overview of all the key areas where our operations have a notable impact in terms of the environment, society and governance (ESG). We then categorised and consolidated our long list based on ESG criteria to create a 'consolidated list' of 13 potential material topics.



## Step 2: Assessment

### Assessment

Next, we analysed our potential material topics to assess how they each impact our business financially (outside-in perspective) and conversely how our activities in each area impact on society and the environment (inside-out perspective). This assessment was completed by the relevant stakeholders with the help of the external experts. We also conducted a stakeholder survey to gather their perspectives on the potential material topics.



## Step 3: Material topics

### Definition of material topics

Finally, we combined our list of potential material topics with the results of our outside-in and inside-out assessments and stakeholder survey, before summarising the findings in a materiality matrix.

In line with the principle of 'double materiality', this matrix gives equal weighting to stakeholder views and the inside-out and outside-in perspectives and is based on the three standard components of a double materiality assessment:

- Sustainability impact assessment (inside-out)
- Financial impact assessment (outside-in)
- Stakeholder survey



## **Analysing our environmental and social impacts**

(Sustainability impact assessment (inside-out))

The purpose of an impact assessment is to estimate the impact of our business operations on both people and the planet. To conduct this assessment, we first identified all potential impacts – current, future, positive and negative – and performed an initial analysis with the help of external experts. Based on these findings, we established a consolidated list of 13 potential material topics relating to environmental, social and governance (ESG) factors. We then described each of these 13 topics and, for those where negative impacts were identified, analysed them in terms of their scale, scope and irremediability using weighting factors of 0 to 5. Those material topics with a higher weighting (threshold) were identified as being more significant.

## **Analysing the financial impacts on our business**

(Financial impact assessment (outside-in))

In addition to assessing a company's environmental, social and governance impacts, a double materiality assessment also takes into account the potential financial impact of different topics on the company's operations. For our assessment, we started by defining the worst-case scenarios for each of our 13 potential material topics based on a roughly 10-year timeline. These scenarios were then finalised with the help of external experts and 13 members of the Corporate Management Group were selected to complete the assessment in the form of an online questionnaire. The assessment focused on two areas:

- financial impacts in terms of capital goods (access to resources, continued use); and
- financial impacts in terms of stakeholder dependencies.

These were assessed using a weighting factor of 0 to 4 for the different dimensions and scenarios.



## List and description of material topics

Material topic	Short description
<b>Energy and climate impact</b>	As an industrial company, we are conscious of our responsibility to protect the environment and we continue to work hard to minimise the environmental impacts of our business. Our actions in this area include: promoting more efficient use of resources and reusing resources as part of closed-loop cycles; pursuing a comprehensive energy management strategy focusing on replacing fossil fuels with renewables (our current energy mix includes 79% renewables) and at the same time reducing our general energy consumption (e.g. through waste heat recovery in production); and converting our fleet of internal trucks to climate-friendly biogas sourced from the local region. Thanks to all these actions, we are gradually reducing our emissions and carbon footprint.
<b>Environmental impacts in the upstream value chain</b>	At Blum, we minimise our potential upstream environmental impacts by selecting responsible suppliers for the procurement of our raw materials. We seek to build strong and long-lasting business partnerships that offer security and stability and enable us to procure consistently high-quality raw materials and consumables from trustworthy sources (more information in 'Partnership across the supply chain' chapter).
<b>Employee satisfaction</b>	The satisfaction of our employees is vital to the success of our business, which is why we have a host of company-wide administrative, organisational and structural measures in place to support and motivate our staff. In particular, training, education and personal development are a top priority at Blum (more information in 'Spotlight on our people' chapter).
<b>Human rights in the upstream value chain</b>	The promotion of human rights is one of the core values of our business. Humane practices lie at the heart of all our business partnerships and we keep a close eye on the working conditions across our value chain (more information in 'Partnership across the supply chain' chapter).
<b>Business processes and compliance</b>	We understand our responsibilities towards our company and our business partners, as well as towards the environment and wider society. This understanding is reflected in the Blum Code of Conduct, which sets out our values and the fundamental principles that underpin our identity as a company. Our Code of Conduct sets binding standards for our conduct and interactions with other companies and external partners that go beyond the minimum standards required by law.  → GRI 3-2



## Standards and certifications

As part of our wide-ranging sustainability agenda, we invite external organisations to audit and certify the sustainability measures in place across our company. As a global company, we seek to comply with internationally recognised standards wherever possible. We have been certified to ISO 9001 (Quality Management Systems) since 1991, to ISO 14001 (Environmental Management Systems) since 1997 and to ISO 50001 (Energy Management Systems) since 2012. To maintain compliance with these standards, we have introduced an integrated management system (IMS) with a modular set-up, which gives employees access to the specific management tools they need to ensure compliance with the relevant standards for their particular site and situation. We also partner with the Forest Stewardship Council (FSC®) to promote environmentally and socially responsible practices within the forestry and timber industries. We have been purchasing FSC-certified chipboard (self-build sets) since 2013, and since 2019 we have been using packaging and printed materials made exclusively from FSC-certified raw materials.

**EN ISO 9001:2015 – Quality Management**



Quality management systems enable us to deliver products and services that meet the required quality standards. They also help us to improve our performance and organisational structures, develop efficient processes and implement changes to make our business stronger and fit for the future. At Blum, our quality management system covers the development, manufacture and distribution of our hinge, box, runner, lift and pocket systems as well as our assembly devices for furniture fittings.

The ISO 14001 standard sets globally recognised standards for environmental management systems. In addition to complying with relevant legislation, companies can use an environmental management system to help them achieve the goals set out in their environmental policies. Blum has been certified to ISO 14001 since 1997. Since then, we have systematically improved our environmental performance by expanding our environmental agenda and introducing appropriate measures. Regular audits are conducted to ensure our actions remain both effective and compliant.

**EN ISO 14001 – Environmental Management**



**EN ISO 50001 – Energy Management**



The international ISO 50001 standard for energy management systems provides companies with a useful tool to help them continually improve their energy efficiency. By systematically recording their energy flows, companies gain access to the data they need to make informed decisions on strategies to improve their energy footprint.

For more than 25 years, the Forest Stewardship Council® has been advocating for the sustainable management of the world's forests. In order for products to carry the FSC® label, all companies involved in the product chain must undergo a strict certification process.

**FSC® – Forest Stewardship Council**



## Network partnerships

By engaging in carefully selected partnerships in the sustainability space, we expand our scope of influence and make a valuable contribution to the conversation around a sustainable future. As a member of associations and networks such as Metaltechnology Austria (environmental committee), Energieeffizienznetzwerk Vorarlberg, 'turn to zero' (formerly the Vorarlberg Climate Neutrality Alliance), TUN and respACT, we can play an active role in developing solutions to environmental and social challenges. More information about our network partnerships is provided below. → GRI 2-28



As a co-initiator and founding member of the Vorarlberg Climate Neutrality Alliance 2025, Blum has committed to reducing and offsetting its CO<sub>2</sub> emissions. The network – now known as 'turn to zero' – provides companies with advice and assistance in calculating their greenhouse gas emissions.

As a member of Austria's leading sustainable business network, respACT, we are actively involved in developing solutions to environmental, social and economic challenges.



As a member of the TUN association, we are helping to transform our home region of Vorarlberg, Austria, into a model region for climate neutrality. Inspired by the vision set out in the European Green Deal, we are adding our expert voice to the discussion and developing pioneering projects both within our company and beyond.

As a member of the WirtschaftMOBIL network since 2013, we are working together with other members to promote environmentally friendly commuting and mobility across our business.



**We are committed to building network partnerships and contributing to the conversation around a sustainable future.**

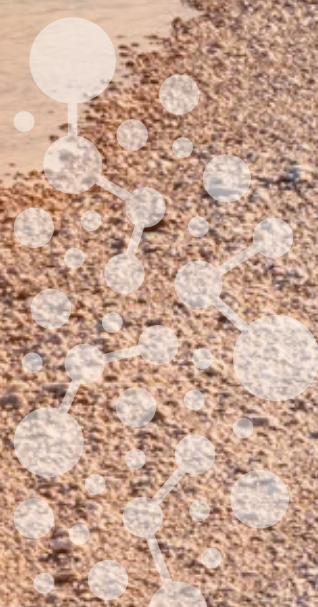
**Pascal Fitz, Sustainability Management**

# MOVING IDEAS FOR SUSTAINABILITY

# Environment

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## Energy and climate impact

### Key points

- Relative energy consumption reduced
- Use of renewables increased
- Monitoring system updated and extended
- Absolute emissions figures reduced
- Energy and resource efficiency increased
- Usage rates for raw materials increased through resource efficiencies
- Closed-loop cycles implemented

As an industrial company, we are conscious of our responsibilities towards the environment and society. We therefore seek to minimise any negative impacts from our operations and work hard to keep reducing our carbon footprint, e.g. by improving our energy efficiency, reusing raw materials and introducing closed-loop cycles. To help us reduce our energy consumption and emissions, we employ an energy management system and planning processes in line with the international ISO 50001 standard. Our energy team uses this system to develop actions plans to optimise our energy consumption, efficiency and usage – three key metrics that indicate our company's progress in terms of improving its energy efficiency and overall energy performance. → GRI 3-3



## Energy consumption

As a metalworking company, we have a very energy-intensive value chain. Our goal is therefore to use this energy as efficiently as possible. We also seek to make conscious choices around our primary energy sources and any associated dependencies, and around our energy mix with its resulting greenhouse gas emissions.

The following table breaks down our **total energy consumption** by energy source. The high level of electricity usage results from the large number of production steps and machinery involved in producing our products – from component manufacturing through to final assembly. We also use natural gas both for our production processes and for heating. The total energy consumption for Julius Blum GmbH in the 2022/2023 reporting period amounted to 178.31 GWh. This figure represents a 13.37% reduction compared to the previous year (205.81 GWh), which can be attributed to the lower usage rates for our production machinery. → GRI 302-1

Energy consumption in GWh	2022/23
<b>Total energy consumption</b>	<b>178.31</b>
<b>Fuel consumption from non-renewable sources...</b>	<b>37.76</b>
...of which diesel, petrol and heating oil accounts for	1.86
...of which natural gas accounts for	35.90
<b>Fuel consumption from renewable sources (biogas)</b>	<b>1.95</b>
<b>Electricity and heat purchased from external suppliers (electricity + district heating)</b>	<b>138.50</b>
<b>Self-generated electricity and heat</b>	<b>0.51</b>
<b>Heat sold externally (district heating)</b>	<b>0.41</b>



## Optimising our energy usage

Our production machines are electric powered, which is why **electricity** accounts for the largest proportion of our total energy consumption. It also takes a lot of electricity to generate the air pressure needed for our pneumatic processes. To keep any associated emissions to a minimum, all Julius Blum GmbH sites in Austria have been powered using Austrian hydropower since 2018. Austrian hydropower has among the lowest emissions of any energy source because 100% of the electricity is generated by hydropower plants on the river Danube.

To further reduce our reliance on fossil fuels – notably natural gas for **heating** – we are also using energy-efficient building design to cut our heating requirements and increasing our use of waste heat wherever possible. By introducing other heating systems, we have already succeeded in reducing our natural gas consumption but are not yet in a position to move away from natural-gas heating entirely. We are therefore endeavouring to make our existing systems more efficient. This includes optimising the heating systems and gas boilers at our plants and also upgrading **production processes** that are powered by natural gas, e.g. epoxy coating and remelting of zinc as part of our closed-loop material cycle. We remain in constant dialogue with our system partners and are continually looking for ways to reduce our energy consumption or replace fossil-fuel sources entirely.

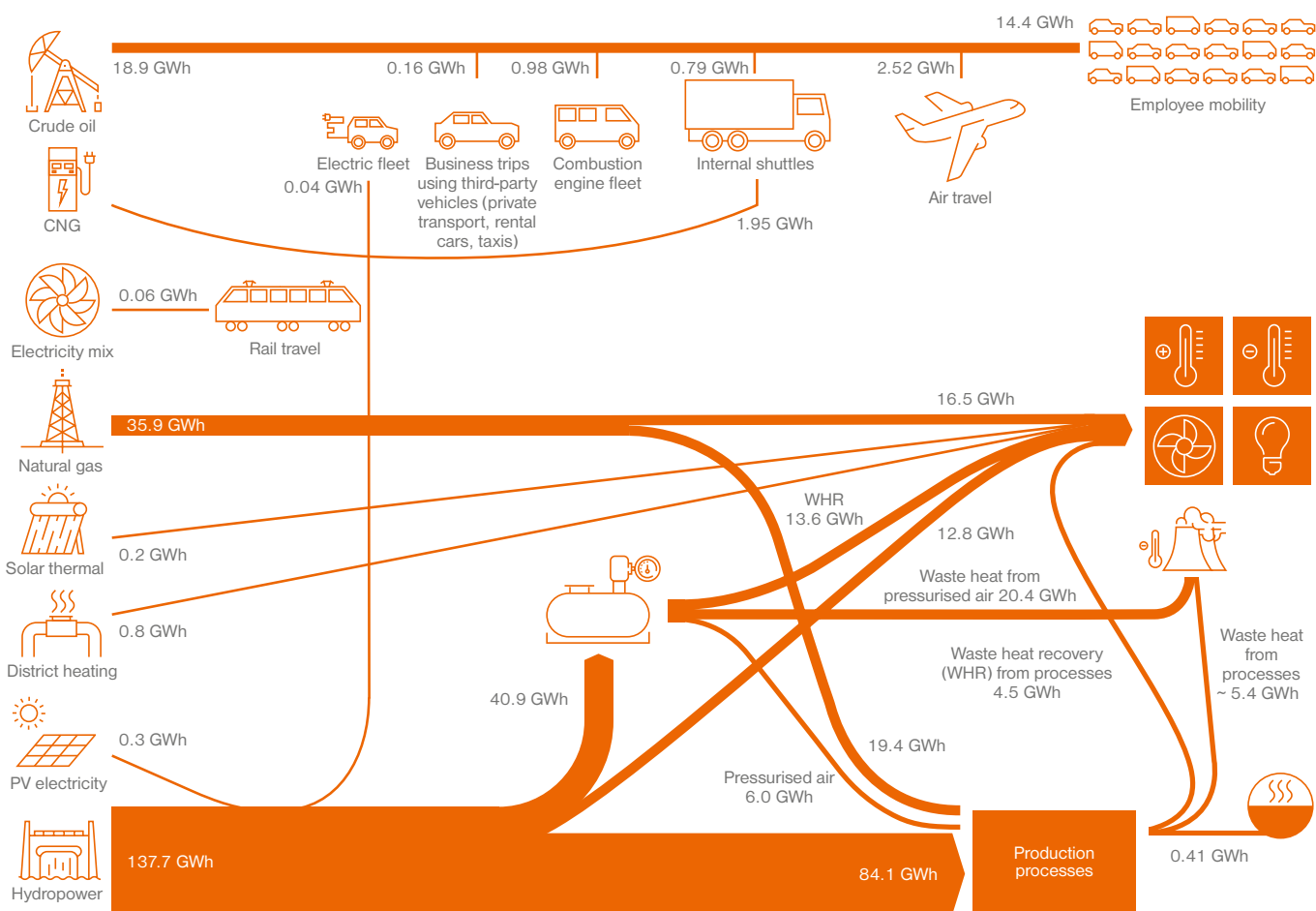
Sustainability is also a major factor in Blum's **transport operations**. In 2019, we passed a resolution to convert our fleet of internal trucks (for in-plant transport) from diesel to biogas. Since then, each time one of our diesel tractor units has reached the end of its standard lifespan, we have swapped it for a modern gas-powered model. These new trucks run more quietly and also produce significantly fewer nitrogen-oxide and soot emissions than their diesel counterparts. The aforementioned resolution also stipulates that the new trucks must run on biogas sourced from the local region. This biogas consumption can be seen in the table above.

In switching to green electricity sources and biogas, we have taken some important steps away from fossil fuels. These non-renewables do continue to make up a small proportion of our energy mix; they are, however, outweighed by renewables, which at 79.59% account for the majority of our total energy consumption. As a business, our **energy intensity**, i.e. our absolute energy consumption in relation to our turnover, stands at 0.093 kWh per euro. → GRI 302-3, GRI 302-4

## Visual representation of energy flows

In 1898, Irish engineer Captain Matthew Sankey created his first (and only) example of what is now known as a Sankey diagram – a graphic illustration displaying energy flows and losses using a series of arrows whose width is proportional to the importance of the flow. Preparing the data for Sankey diagrams is a very time-consuming process, but the resulting information is easy to interpret – essentially, the wider the arrow, the more energy involved. The following Sankey diagram shows the energy flows for Julius Blum GmbH:

### Energy footprint for the reporting period





## Greenhouse gas emissions

As a manufacturing business in the metalworking industry, it is impossible for us to leave no ecological footprint whatsoever. We are therefore committed to being transparent about our emissions across our value chain. Steel production and machining are both very energy-intensive processes. Likewise, the industrial sector as a whole generates 34.5 million tonnes CO<sub>2</sub>e (according to the Austrian Climate Change Report 2023) and is one of the biggest contributors to greenhouse gas emissions (incl. EU emissions trading) in Austria (valid as at 2021).

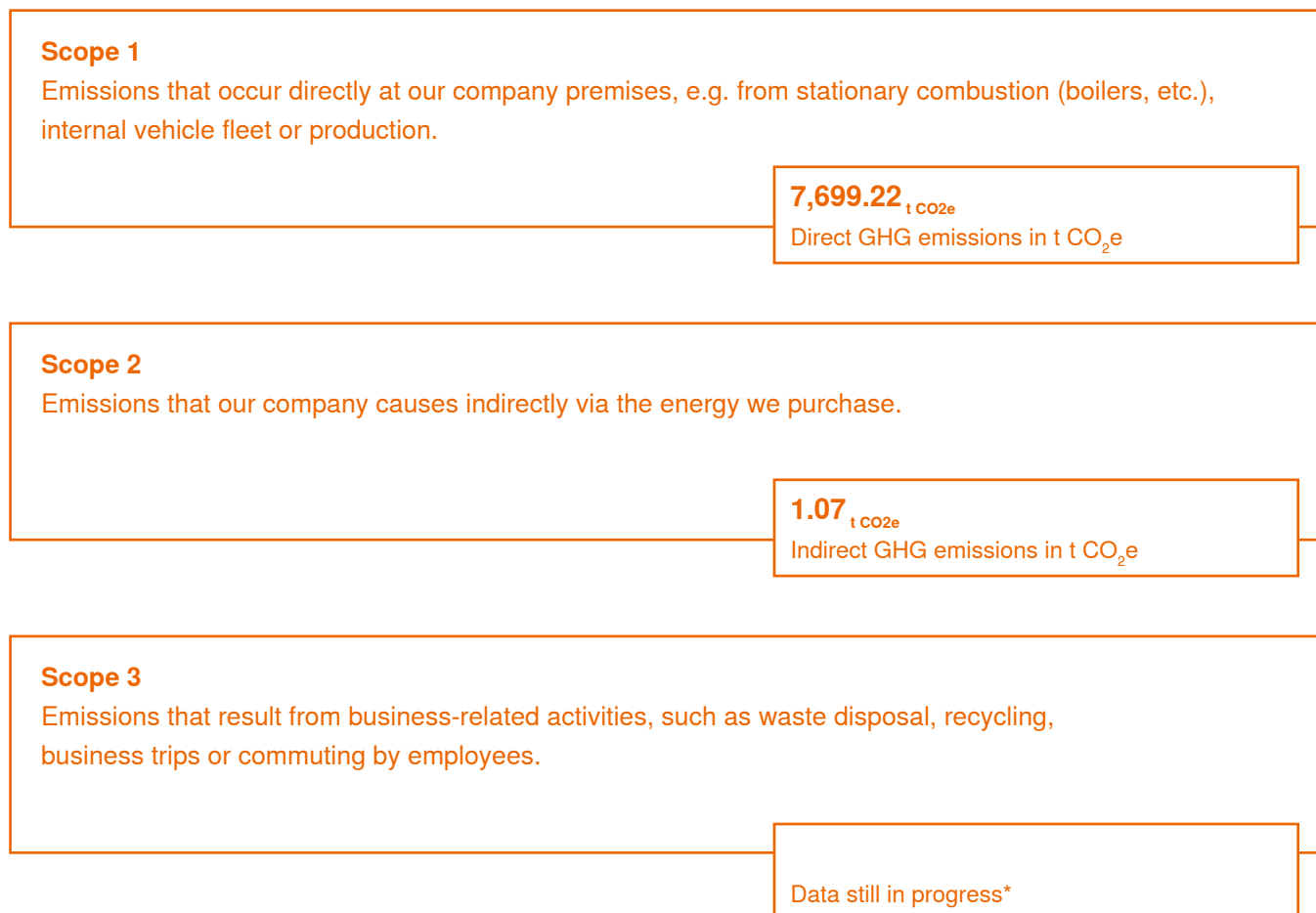
If we are to help build a sustainable future, we therefore have a fundamental responsibility to cut our emissions and keep them as low as possible. As a co-initiator and founding member of the Vorarlberg Climate Neutrality Alliance 2025 – now known as ‘turn to zero’ – Julius Blum GmbH has been working to reduce its emissions in absolute terms since 2013. As a company, we also offset our emissions through a financial contribution calculated at the rate defined by the Alliance each year. These funds are used to support sustainable projects ranging from social projects and awareness campaigns to local reforestation projects. The Alliance also provides companies with advice on their emissions and supports them in calculating their carbon footprint.

→ GRI 305-5

At Blum, we define our own parameters for our emissions calculations, e.g. what the relevant reporting period is or whether we want to include all production sites. The parameters we choose depend largely on what we are looking to achieve with the calculation. We also identify all the relevant data providers and liaise with them to define our requirements in terms of data quality. We then decide collectively what data we need, in what format and on what reporting date. Once the data has been submitted, we verify it in line with our reporting guidelines to ensure that it is relevant, consistent, accurate, transparent and complete. We then narrow the data down to our chosen parameters, consolidate it and classify it by emissions categories (or scopes). Next, we compare the data against previous reporting periods in order to identify any significant deviations or changes, including with respect to the different sites surveyed. Some of these will be ordinary changes requiring no special explanation, while others will be major deviations which we need to investigate in order to find a plausible explanation.

Another important requirement is to select a valid CO<sub>2</sub>e emission factor from a reputable institution for each emissions category. Ideally, this factor will be expressed in kilograms or metric tonnes per unit and be sourced from an organisation such as the Environment Agency Austria, the Intergovernmental Panel on Climate Change (IPCC) or various other official institutes. By multiplying our approved data by the CO<sub>2</sub>e emissions factor for the relevant category, we can calculate our climate impact in kilograms or tonnes of CO<sub>2</sub>e. We can then share these results with all our stakeholder groups. In line with the Greenhouse Gas Protocol, we distinguish between three different categories of emissions (or scopes) when calculating our carbon footprint.

→ GRI 305-1, GRI 305-2



\*Given that the collection of quality data for our upstream and downstream value chain is still a work in progress, we currently have no official data for our Scope 3 emissions. We are working together with our partners, suppliers and customers to calculate a specific carbon footprint for our products and value chain.

## Our environmental and energy policies

Our environmental and energy policies are two central components of our sustainability strategy that focus on minimising our environmental impacts and consumption of natural resources across our value chain. These policies contain a number of measures to help us protect the environment and save energy and also promote investment in more efficient processes and the necessary technical infrastructure.

The four pillars of our environmental and energy policies are as follows:

### Partnership

We expect our partners to uphold the same standards as us. To enable us to achieve our sustainability targets, we therefore liaise closely with them to identify areas for action and take steps to protect the planet and conserve our resources. In doing so, we fulfil our mission to deliver lasting benefits and added value for everyone involved with our products and services, from our business partners right through to our retail customers and end users.

### Innovation

At Blum, we take an active interest in our customers' individual requirements and are continually looking for ways to improve our products, services and processes. This curiosity inspires our innovation process – including when it comes to sustainability. No stage of the product lifecycle escapes our scrutiny, from the procurement of raw materials, through to product development and use and ultimately potential recycling options. Our aim is to minimise our use of resources during the manufacturing and packaging processes and ensure our transport operations are as environmentally friendly as possible, while continuing to deliver high quality products that are built to last.

### Continuous improvement

We are firm believers in questioning the status quo and identifying opportunities to improve – and sustainability is no exception. We are always looking for ways to optimise our processes to make more efficient use of our natural resources and, in doing so, minimise the environmental impacts of our operations. These continual improvements represent both an important priority and major commitment for our business.

### Employees

The loyalty and dedication of our employees is vital to our business success. Likewise, without their support, we cannot achieve our environmental and energy targets. Both at work and on their commute, all of our employees have a role to play. Only by working together can we promote a culture of mutual trust and open communication and put our policies for the conservation of resources and protection of the environment into practice.

## Efficient use of materials and resources

As an innovation-focused business, we are determined to find new and creative ways to make more efficient use of our resources, while at the same time maintaining our high quality standards. To use resources efficiently, we have to consider every stage of the product lifecycle, from the product development phase and procurement of materials through to the manufacturing processes and ultimately (wherever possible) recycling. Our aim is to use 'as much as is necessary, but as little as possible' and, with this in mind, we are introducing changes in several areas to minimise our consumption of raw materials and mitigate the resulting negative impacts on our planet as far as possible.

### Use of steel

As a metalworking company, we use many different raw materials to manufacture our products. By far the one we use most widely is steel, which accounts for 85% of our material usage. Since primary steel production is an extremely resource-intensive process, we are taking action on several fronts to ensure we use this raw material as efficiently as possible. Firstly, we source our steel – specifically strip steel – from sustainable and responsible suppliers, with whom we have built long-standing partnerships. We work together with these suppliers to increase the sustainability of their products, e.g. by increasing the proportion of secondary material content or delivering their products by rail to reduce transport emissions. Secondly, we are taking steps to increase our use of recycled steel. This is an area with enormous potential because steel can be repeatedly recycled, over and over again, without any loss in quality. Currently, recycled steel makes up 24% of our total steel usage. Our primary goal is to increase this percentage and we therefore make careful use of our steel resources within our production process. Our first priority is to reduce the amount of production waste generated, e.g. by reducing the thickness of the steel strips and optimising the cutting tool set-up so that components are arranged across each strip in such a way as to maximise material usage. Any waste steel (or punching scrap) that cannot be avoided is sorted and sent to our partners for recycling. By putting this waste material back into the recycling system, we are actively supporting the circular economy and ensuring new steel can be produced with a high recycled content. Other actions to promote sustainability within our production process include switching to lead-free alloys as well as chrome-free passivation alternatives for hot-dipped galvanised steel. These steps are again helping us to gradually reduce the environmental footprint of our steel treatment processes.





## Use of plastic

Plastic is a versatile and long-lasting material and therefore a useful addition to our raw material mix. We currently produce around 2,500 plastic components using over 150 different granules, all of which are non-toxic. Because they are thinner and more easily recycled than other materials, plastics generally score well in a life cycle analysis. Nevertheless, we are committed to reducing their impact even further. To that end, we have adopted two strategies based on extensive analyses of our material flows. The first is to reuse the plastic waste from our own processes as a secondary raw material. In this case, any surplus plastic material – known as ‘sprues’ – is fed directly back into our injection moulding system as ‘regrind’ and thus recycled. This in-house recycling system is a very efficient closed-loop system; however, plastic regrind cannot be used in all cases, notably for the production of heavy-duty components. In these cases, the waste plastic sprues are reprocessed by our external partners and then fed back into our production process as ‘regenerate’. This circular system again helps us to reduce waste and, at the same time, conserve resources and cut our emissions.

Our second strategy is to prioritise the use of plastics with a low carbon footprint as part of our product innovation process. This includes selecting low-emission plastics for use in new components and also testing existing components to see if these plastics are suitable for them. By switching to greener plastics, we are continuing to make our plastic components more sustainable.

## Materials used in our products

Raw material	Proportion* in %
Steel	85%
Zinc	2%
Aluminium	2%
Cardboard	5%
Plastic	5%
Coating powders	1%

\*Figures are average values across Blum's entire product portfolio

In the reporting period, we procured 262,810.04 tonnes of raw materials. We also purchased a further 23,043.61 tonnes of semi-finished components for use in our product manufacturing processes, along with 66,438.95 tonnes of operating materials and supplies. → GRI 301-1

## Material usage and proportion of renewable material

Material	Total weight in tonnes	Proportion of renewable material
Raw materials (steel, zinc, aluminium, plastic)	262,810.04 t	0.00%
Semi-finished components	23,043.61 t	3.01%
Operating materials and supplies	66,438.95 t	22.87%

## Efficient use of resources

We are taking targeted action across our business – notably in research & development, procurement and production – to improve the efficiency with which we use our resources. This process begins right from the initial product design and our choice of materials. Our aim is to reduce the amount of wastage in production and feed as much waste material as possible back into our own production processes. Thanks to our efforts to date, the current average usage rate for our key raw materials is 80.7%.

## Raw materials and corresponding usage rates

Raw material	Usage rate*
Steel	78.94%
Zinc	98.2%
Cardboard	95.3%
Plastic (granules, master batches and coating powders)	93.4%

\*Calculation method: The usage rate is the amount of material used as a percentage of the total purchasing volume.

## Closed-loop cycle for zinc in production

Zinc is another key raw material for the production of our product components. Given that the production of primary zinc is another very energy and carbon-intensive process, we take great care to use this material as efficiently as possible. The zinc sprues produced during our die-casting process are fed directly back into our machinery or sent to our in-house remelting furnace where they are reprocessed to create new raw material. This internal recycling system ensures that, on average, 85% of our waste zinc goes back into our own production process. Not only does this conserve valuable raw materials, but it also saves us transporting our waste zinc away for disposal and ensures we have access to a ready supply of this important raw material. Any zinc that is contaminated and therefore cannot be recycled internally (usually around 70 tonnes per year) is sent to our recycling partner for reprocessing in line with stringent environmental standards. We then reuse the resulting high-quality zinc as a raw material in our production process, thus creating another closed-loop cycle.

## Waste steel recycling

We are also committed to recycling the waste steel generated during our production process. Since 2018, our steel cutting centre at our site in Dornbirn, Austria, has been home to a fully automated material logistics system, which sorts our waste steel ready for recycling. This sorting system is vital for the recycling process, because we use a range of steels with different compositions and properties. To enable the system to separate the waste steel into different types automatically, we have defined several categories of steel and assigned an ID number to each. These ID numbers enable the type of steel to be identified at every stage of the production process – from the delivery of the material to the manufacturing process and finally the disposal of any waste steel in the recycling skips. The recycling skips are located directly alongside the production machinery and are labelled with barcodes corresponding to the relevant ID number to ensure all waste is deposited in the correct skip. As soon as the skips are full, they are transported to the relevant silo using material handling equipment and emptied. Fill-level sensors on the silos alert our recycling partner automatically via an app when the silos are full. The waste steel is then collected and sent to foundries and smelting plants for recycling. By using this system, we create a closed-loop cycle for our waste steel, which helps increase the recycled content of the steel used in our manufacturing process and, in turn, reduces the CO<sub>2</sub> emissions associated with steel production.

## Proportion of recycled content in our raw materials

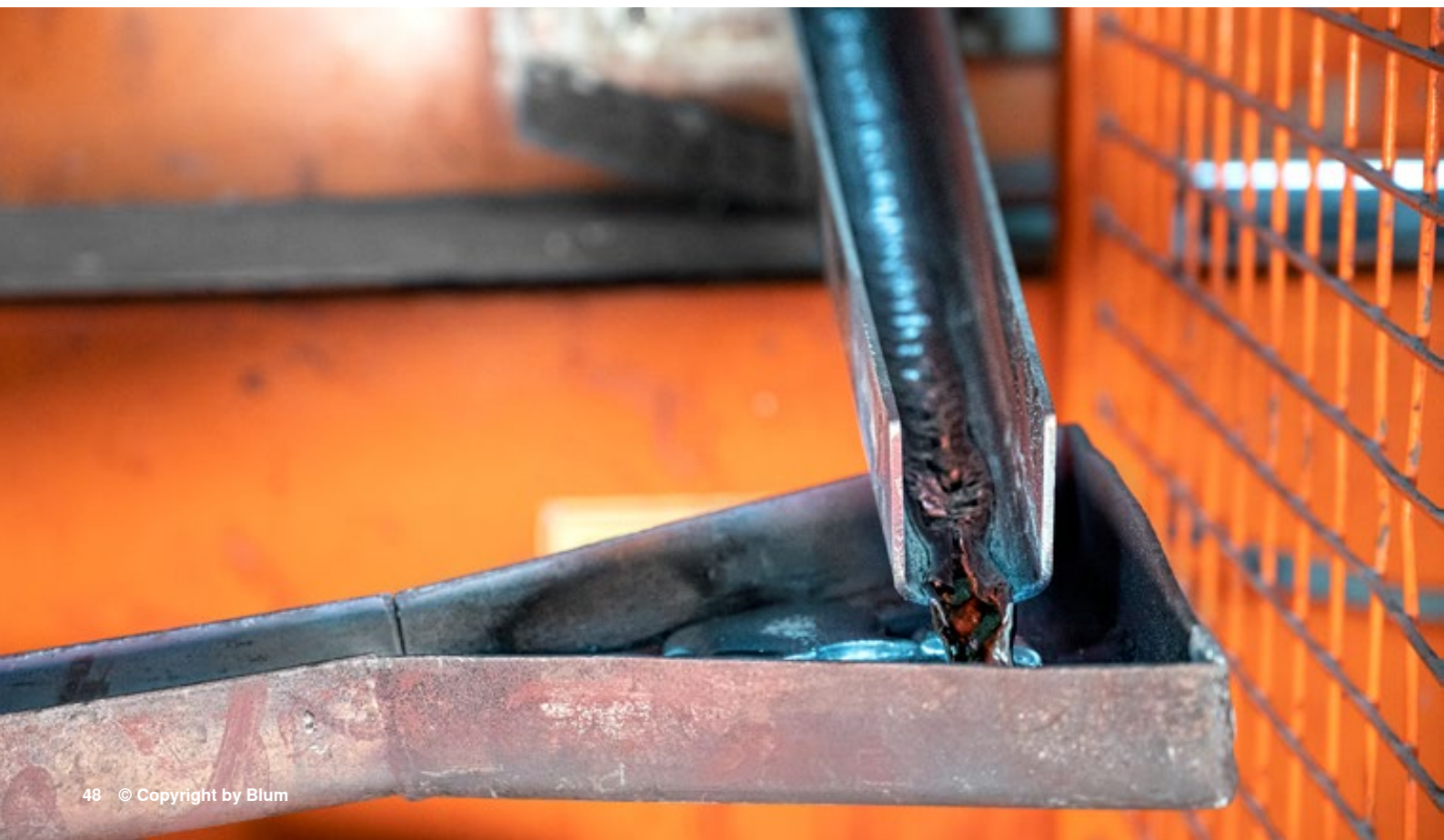
In the face of global raw material shortages and rising market prices, it is imperative that we use our primary and secondary materials with utmost care and conserve these resources for the future. The most effective way for us to conserve resources is to use recycled materials wherever possible, for both our products and packaging materials. One of our key sustainability commitments is to increase our use of recycled materials. We work closely with our suppliers to generate reliable data about the recycled content of the raw materials we use and identify ways to continue improving in this area. We ask our suppliers to provide information about the post-consumer recycled content of their products and materials on an annual basis. We then combine this information with our annual order volumes to calculate the proportion of recycled content for each of our raw material categories. This figure is calculated as a percentage of the total material volumes processed each year. → GRI 301-2

### Proportion of recycled content by raw material (in %)

Raw material	Recycled content in %
Steel	24%
Zinc	34%
Aluminium	63%
Plastic	0%*
Wood	100% FSC®

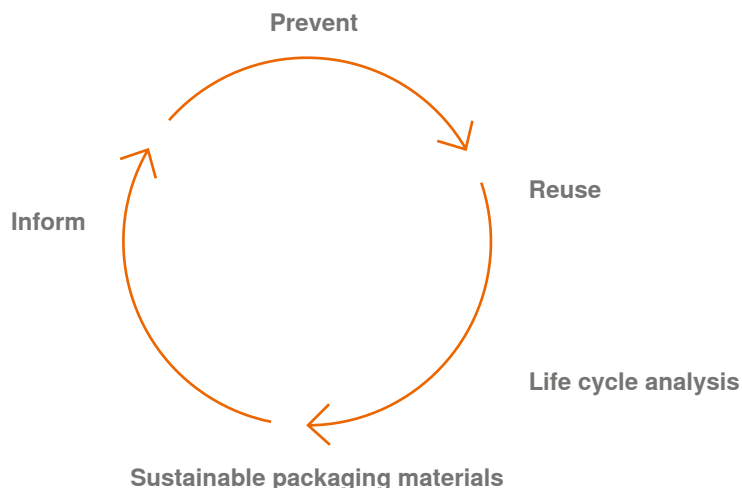
\*By recycling any waste sprues and feeding them back into our full hot runner injection moulding system, we make very efficient use of our plastic raw materials. The amount of pre-consumer recycled content in a component depends on the set-up of the injection moulding tool, but is around 20% on average.

As explained above, thanks to our closed-loop zinc recycling system and sorting system for steel waste, we have mechanisms in place to extract high-quality waste metals from our production processes ready for recycling and reuse. However, these circular systems rely on close collaboration between everyone involved. For recycling to work well, manufacturers, waste collection and sorting facilities and recycling infrastructure providers all have to work together. Only then can we capitalise on the synergies and reap the potential benefits.



## Product packaging

First and foremost, our product packaging needs to be functional and provide good protection for our products. However, we also want it to be sustainable. Our environmental and energy policies therefore contain five sustainability criteria specifically for our packaging:



### Reduce

Our mantra for striking the optimal balance between conserving resources and protecting our products is: **‘as much as is necessary, but as little as possible’**. This includes:

- Designing packaging to maximise pallet volumes with as few materials as possible
- Avoiding composite materials
- Using recycled materials to reduce consumption of primary materials
- Minimising the use of printed designs
- Designing packaging materials for efficient handling on the supplier side
- Standardising secondary packaging (corrugated cardboard boxes and reusable containers) so that it can be used for different products and/or reducing the number of packaging items and storage volumes

### Reuse

The key to sustainable packaging is not just the material itself, but also how the packaging is used. In order to keep wastage as low as possible, we use **reusable transport packaging** (ECO-Packs and ECO-Boxes) for internal transport wherever viable. We can also use this reusable packaging system for deliveries to customers within Europe, provided they meet a minimum order quantity. This reusable system makes handling processes more efficient and also opens up automated handling options.

### Proportion of packaging reused during the reporting period (by product group)

Product group	Reused	Single-use
Hinge systems	3.28%	96.72%
Lift systems	12.00%	88.00%
Runner systems	1.33%	98.67%
Box systems	9.42%	90.58%
Pocket systems	0.00%	100%



### Sustainable packaging materials

Wherever possible, we use packaging materials that are recyclable, certified or reusable, or made using renewable raw materials or as much post-consumer recycled content as possible. A recycled material content of 75% to 80% is already standard for products manufactured by the pulp and paper industry (corrugated board, cardboard, paper). In terms of soft plastic packaging, 50% of our packaging items currently contain at least 50% recycled materials and we plan to increase this to 80% by 2025 and 100% by 2027. Moreover, by the end of the 2023/24 business year, we are aiming to achieve at least 30% post-consumer recycled content for all our stretch wrap packaging.

### Proportion of recycled content in our packaging materials

Packaging material	Proportion of recycled content* (in %)
Wood	0.00%
Soft plastic	38.56%
Plastic foam	0.00%
Hard plastic	17.04%
Paper and cardboard	79.36%
Corrugated board	74.60%
<b>Total</b>	<b>71.12%</b>

\*Weighted average based on purchasing volumes

We are also working hard to increase the amount of recycled content in our reusable transport packaging. Based on current projections, we hope to launch our first ECO-Pack with an outer container made from 100% recycled materials by 2025. The internal packaging that holds the products in place will, however, continue to be made from virgin materials to ensure it delivers complete protection for our products. The new pallet covers that we introduced in 2023 are already made from 100% recycled materials. These are currently being rolled out across our plants to replace the existing covers that are now old and worn out. Overall, Blum purchased a total of 17,708.55 tonnes of packaging (wood, paper and plastics) during the reporting period, of which 97.79% was made from renewable packaging materials (not including reusable transport packaging).

### Renewable and non-renewable packaging materials used during the reporting year

Type of packaging material	Purchasing volume (in %)
Renewable	97.79%
Non-renewable/fossil-based	2.21%

## Inform

Our packaging management does not end when our products leave our company. To simplify the disposal process for our customers, all our packaging is marked with standardised recycling codes so that our customers always know how best to dispose of it.

## Life cycle analysis

It is often difficult to determine just how sustainable packaging items are. To inform our decision-making, we therefore use a life cycle analysis to evaluate the complete product life cycle for our packaging and all relevant environmental factors so that we can build a more comprehensive picture. We currently use life cycle analyses on an ad hoc basis to help us select new packaging options; however, we plan to roll this tool out across all our packaging in future.

## Product sustainability

Our commitment to product sustainability is clear to see in the highly functional and high-quality design of our products. We want to inspire our customers to make sustainable product choices, which is why we put our philosophy of global customer benefits at the heart of our business operations. Our product sustainability management strategy forms an integral part of our Integrated Management System (IMS). Responsibility for **product sustainability management** falls to our sustainability team but is also a cross-divisional responsibility involving many different organisational units and specialists. This interdisciplinary organisational structure ensures that any product improvements with respect to sustainability are implemented in close coordination with the other elements of our Integrated Management System, notably our environmental and energy management systems.

The overriding aim of our product sustainability management strategy is to improve the sustainability of Blum's products and services over their **complete life cycle**. Fundamentally, this means developing products that are useful, high-quality, durable, environmentally friendly and as recyclable as possible. To improve our sustainability credentials across the complete product life cycle, we analyse our practices and optimise our processes at every stage, from research and development, procurement and manufacturing through to recycling at the end of the product lifespan. This enables us to introduce targeted actions that, in turn, provide us with further insights for the development of new products. Our certified environmental (ISO 14001), energy (ISO 50001) and FSC® management systems are also useful tools in improving our product sustainability.



”

**We work hard to minimise our environmental impacts at every stage of the product life cycle.**

**Jochen Lubetz, Head of Quality**



## Defining sustainable products

At Blum, we define a sustainable product as one that combines exceptionally high quality standards with minimum environmental impacts at each stage of the product life cycle. At the product development stage, we lay the foundation for the efficient use of raw materials. Products are also subject to specific energy and environmental requirements right from the project development phase. We set ourselves specific targets and maintain transparent records setting out our goals, areas for improvement and progress achieved. Typical criteria that we use to assess the sustainability of our products include:

- Appropriate material selection
- Material management during the production process
- Product lifespan
- Product safety
- Consumption of resources during the use phase
- Recycling possibilities at the end of the use phase

We monitor our product sustainability using approved methods and are transparent about the environmental impacts of our products. For instance, in the coming years, we plan to release Environmental Product Declarations (EPD) and Product Carbon Footprints (PCF) for various product groups. → GRI 302-5

Our action plans and programmes also include many measures to improve the sustainability of our products. These include:

- Environmental impact analyses at the product development and design stages
- Increased use of recyclable raw materials and packaging materials
- Standardised information about the environmental impacts of our products

We consistently monitor and review our measures to improve the sustainability of our products, notably as part of our regular management system audits. Through training and in-house initiatives, we also promote a general understanding of the importance of sustainability issues among our staff and provide targeted training for those employees with a direct influence over the sustainability of our products.

## Responsible water usage

As a responsible business, we appreciate our natural world and strive to use our natural resources as efficiently as possible in order to minimise our environment impact. Alongside steel and aluminium, water is another important element of our production process. It is also one of our planet's most precious resources and access to clean water is a basic human right. The world's water reserves have already been depleted by the impacts of climate change, meaning it is more important than ever that we handle this resource with utmost care – and businesses are no exception. At Blum, we consider it our responsibility to keep our water consumption to a minimum. We reuse water wherever possible using closed-loop cycles and only release non-hazardous wastewater back into the sewerage system.

All our production sites in Austria are located in regions with high water availability. Nonetheless, we are committed to using our water resources carefully. Our sites primarily use water for basic infrastructure, such as sanitary facilities and drinking water, and for industrial processes, including as a coolant. We maintain documented records for all these water systems and take regular samples for monitoring purposes in line with our ISO 14001 and ISO 50001-certified environmental and energy management systems.

Water usage in Austria is highly regulated and subject to strict standards. At all our sites where our industrial processes alter the quality of the water used – e.g. surface treatment plants (epoxy coating) and component cleaning systems – we therefore operate internal wastewater treatment plants, which clean up and remove any toxins from the wastewater before it is released into the municipal sewerage system and/or sewage treatment plants. In doing so, we ensure compliance with the relevant provisions of the Austrian Indirect Discharge Ordinance (IEV) and General Wastewater Emission Ordinance (AAEV), including the threshold values that must be met before industrial wastewater can be discharged. To verify that our wastewater discharge falls within these thresholds, we conduct internal and external analyses at the required intervals to test for parameters such as pH value, COD value, phosphorus and zinc. We also have company-wide alert systems in place so that we can take immediate, clear and systematic action in the event of an environmental incident involving wastewater and the release of hazardous substances. → GRI 303-1, GRI 303-2, GRI 303-4

## Total water consumption and wastewater

At Blum, the vast majority of our water consumption results from our basic infrastructure. In contrast, the manufacturing and production of our furniture fittings accounts for only a very small proportion. Our total water consumption for the reporting period was 149,768 m<sup>3</sup>, which is 6.89% (11,081 m<sup>3</sup>) lower than the previous year. 47.6% (71,268 m<sup>3</sup>) of this water was processed by our wastewater treatment plants and released back into the municipal sewerage system as non-hazardous wastewater. The remaining 52.41% (78,500 m<sup>3</sup>) was coolant water that evaporated into the atmosphere during the cooling process.

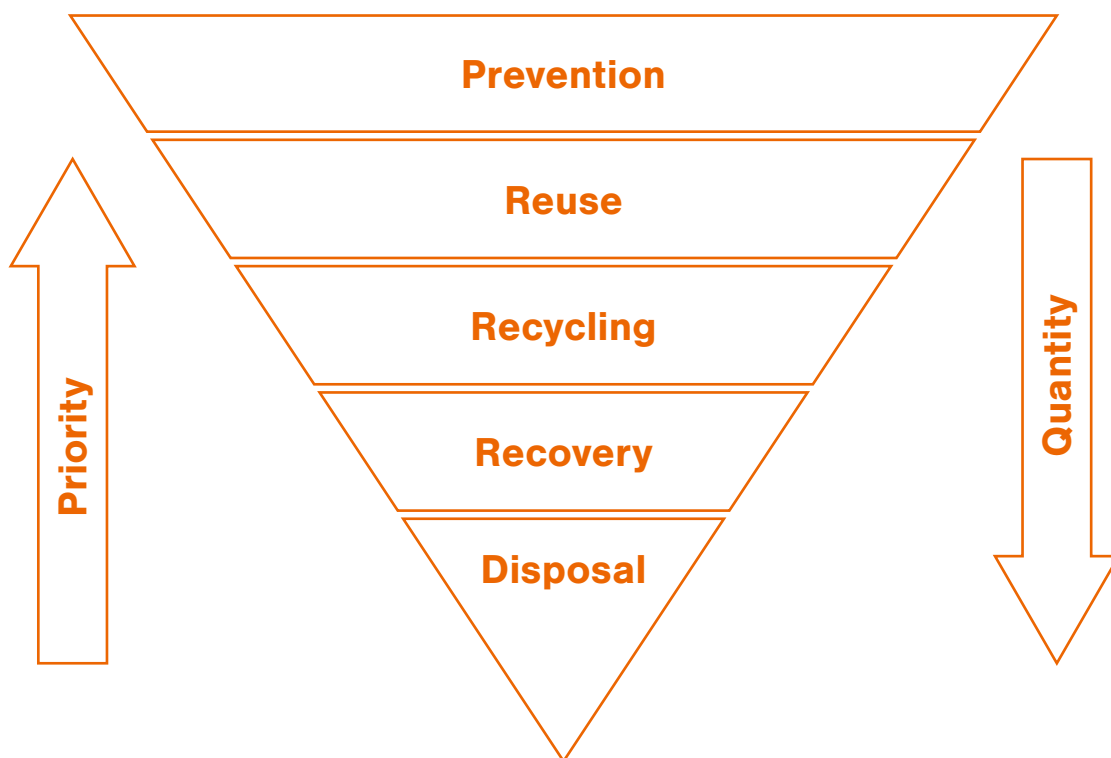
→ GRI 303-3, GRI 303-5

Wherever possible, we allow rainwater to drain away immediately. Where this is not possible, e.g. in the case of extreme weather events, we store the water and then release it into the drainage system at a later date in order to help prevent flooding at our sites.

## Waste management and recycling

As a company within the metalworking industry, we are conscious of the need to manage our waste responsibly and develop solutions to the many challenges in this area. Waste materials are valuable resources that must be utilised for as long as possible. At every stage – from product development to production and ultimately disposal – we must therefore take steps to reduce our waste and promote opportunities for reuse and recycling. A prudent and strategic waste management strategy is vital if we are to curb our consumption of primary raw materials, eliminate any unnecessary transport operations and create closed-loop material cycles. At Blum, our strategy is based on the waste management hierarchy set out in the EU Waste Framework Directive, which outlines the order in which different waste management options should be applied:

**Prevent – Reuse – Recycle – Recover – Dispose.** By applying this hierarchy, we believe we can make a positive contribution to the circular economy and promote sustainable business practices more generally. → GRI 306-1, GRI 306-2





Our waste management officer is our central point of contact for any waste-related issues and coordinates the waste management activities across our business. They are responsible for planning and developing our waste management system and strategy; recording, monitoring and analysing our waste volumes and types; and liaising with our waste disposal partners. Responsibility for implementing waste management plans at operational level falls to the building managers, caretakers and facility managers at each of our sites.

**Our strategic priorities for our waste management system are as follows:**

– **Pushing ahead with greater automation/digitisation**

By introducing sensor technologies and smart waste management systems, we can simplify our work processes, improve workplace safety standards, increase the amount of waste collected and generally run our operations more efficiently and sustainably.

– **Cutting residual waste volumes**

We are committed to keeping our residual waste volumes low and further reducing them wherever possible. To achieve this goal, we are expanding our facilities for sorting and separating our waste and prioritising careful use of raw materials in production.

– **Keeping recycling rates high and increasing them where possible**

Each year, we team up with our waste disposal partners to evaluate the recycling outcomes for our different waste types. By separating our waste into specific types, we help support recycling and closed-loop cycles. We have already introduced closed-loop material cycles in several areas of our business, including our sorting systems for waste steel and plastic, our zinc recycling system and our system of reusable transport containers made from plastic and cardboard.

– **Reducing transport operations**

One of the best ways to reduce waste transport is to select the right waste collection container. We therefore evaluate our waste volumes so that we can select appropriately sized skips and adjust them as necessary. Wherever possible, we also use compactors to reduce the volume of waste and therefore the number of journeys required.

– **Increasing employee awareness**

Our employees play an important role in implementing our waste management system. When they first join the company, all new employees therefore receive commercial waste management training, which promotes a shared understanding of the topic and its many complexities. All staff are also encouraged to exchange information and learn from one another so that we can work together to optimise our company waste management practices.

## Material and waste management

In the reporting year, Blum generated a total waste volume of 52,665.69 tonnes, of which only 823.92 tonnes were hazardous waste such as old varnish and paints, solvent-based products, emulsions and grease. Regardless of the type of waste, we aim to ensure all our waste is professionally recycled by authorised disposal partners. All waste generated at Blum is also collected and transported in appropriate containers. Responsibility for monitoring and dispatching our company waste lies with the relevant building manager, caretaker or facility manager. They also ensure that there is always a sufficient number of appropriate waste collection containers available at their site. All our plants have well-designed waste collection points located close to any waste generation hotspots. These collection points are equipped with clearly labelled containers for different waste types to make it easier to separate and ultimately recycle the waste. We also provide regular information on waste management, e.g. the collection bins for non-commercial waste have QR codes on them that take users to a webpage with key pointers for separating waste correctly and details of who to contact in the case of waste management enquiries at the respective site. → GRI 306-3

Waste collection arrangements differ depending on the type of waste and the disposal partner, with some waste collected at regular intervals and other waste collected on demand. We regularly evaluate and adjust these collection schedules and also the size of the waste collection containers in order to minimise the number of transport journeys in line with our waste management strategy. Responsibility for monitoring, managing and ensuring the traceability of our waste management data lies with our waste management officer. They keep a close eye on all the numbers and liaise with our disposal partners to verify the accuracy of the data and discuss potential areas for improvement. In total, more than **96%** of our total waste volume is recycled and fed back into the circular economy, while 2.26% is converted into energy through combustion.

→ GRI 306-4, GRI 306-5

<b>Total waste volume in tonnes</b>	<b>52,665.69</b>
<b>Recycling</b>	<b>96.55%</b>
<b>Combustion-based waste to energy</b>	<b>2.26%</b>
<b>Chemical/physical treatment of liquid waste prior to disposal/discharge</b>	<b>1.16%</b>
<b>Incineration</b>	<b>0.02%</b>
<b>Landfill</b>	<b>0.00%</b>

**Summary:** As this data confirms, our waste management system applies the principles of the waste management hierarchy in full.



**Our mantra for making efficient use of our resources is: 'as much as is necessary, but as little as possible'.**

**Laura Erhart, Sustainability Manager**



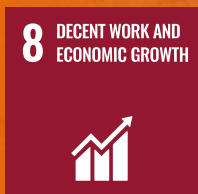
### What happens to electronic devices?

Several years ago, we teamed up with non-profit IT company AfB Austria to ensure that our old electronic devices are refurbished and recycled to certified standards. AfB (which stands for 'Arbeit für Menschen mit Behinderung' – 'work for people with disabilities') specialises in certified data destruction and the refurbishment of business' old and unwanted IT hardware ready for reuse. It is a company with strong social and environmental values and, as such, creates a large number of jobs for people with disabilities as well as helping to conserve natural resources and reduce emissions through its core business activities. During the reporting year, Blum sent a total of 1,237 items of IT hardware and mobile devices (notebooks, monitors, tablets, smartphones) to AfB, of which 99% were refurbished to certified standards and put back into use, saving a total of 151,001 kg CO<sub>2</sub>e.

# MOVING IDEAS FOR SUSTAINABILITY

# Social

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## Spotlight on our people

### Key points

- Training opportunities updated and extended
- Trainers' network (Learning Marketplace) strengthened
- Instructions and accident reporting procedures revised and improved
- Software introduced to provide oversight of these procedures

### Social dialogue

Social dialogue, i.e. the way we as a company look after our employees, is an important part of our employee and organisational development strategy (the Blum Path). It covers all aspects of employee development, from comprehensive apprenticeship training to health and safety protocols, knowledge and learning opportunities and all other employee initiatives implemented by Blum in these areas. Our aim is to support our employees in both their personal and professional development while at the same time looking after their physical, mental and social wellbeing – in other words ensuring that they feel satisfied at work. We have chosen to adopt this far-reaching approach for two reasons: firstly, we are conscious of our social responsibilities as the largest employer in our region; and secondly, our employees are vital to the current and future success of our business. We therefore take our relationship with our employees very seriously and take action on many different fronts, as we explain in more detail in this chapter. → GRI 3-3

## Employee development

On the reporting date of 30/06/2023, Blum Austria employed 6,810 staff, which is 2.4% fewer than the figure for the 2021/2022 reporting period (6,980 employees). Currently, approx. 60% of employees work on the production side of the business (production, logistics, maintenance, production engineering, work practices) and the remaining 40% work on the administrative side. Across the company, 7.22% of employees work part time. 71.7% of these staff have administrative roles and 28.3% work in production. On the reporting date, there were 358 apprentices employed by the company across 10 different professions. The term 'administrative' covers all areas of Julius Blum GmbH's operations that are not directly related to production.

	Female	Male	Total
Full-time employees	678	5,640	6,318
Part-time employees	250	242	492
<b>Total</b>			<b>6,810*</b>

\*Not including holiday interns or temporary staff

	Female	Male	Total
Under 30	310	1,465	1,775
Aged 30–50	461	3,215	3,676
Aged over 50	157	1,202	1,359
<b>Total</b>			<b>6,810</b>

The total number of new appointments in the reporting year stood at 376 (compared to 868 in 2021/22). The most represented groups among these new appointees were men (11.3%) and women (19.4%) aged under 30. → GRI 2-7

Age	Gender	Number	Rate
Under 30	Male	165	11.3%
Under 30	Female	60	19.4%
30–50	Male	87	2.6%
30–50	Female	48	10.1%
Over 50	Male	8	0.7%
Over 50	Female	8	5.7%
<b>Total</b>	<b>Male and female</b>	<b>376</b>	<b>5.5%</b>

Calculation method: The recruitment rate is the number of new appointees as a percentage of the total number of employees in the respective age group

The attractiveness of Blum as an employer can be measured based on both the recruitment rate and staff turnover rate. The staff turnover rate at Blum is very low – just 7.9% – and we work hard to keep it that way by maintaining and, where necessary, enhancing our employee development initiatives. → GRI 401-1

Age	Gender	Number	Rate
Under 30	Male	315	20.4%
Under 30	Female	48	15.8%
30–50	Male	133	4.0%
30–50	Female	39	8.3%
Over 50	Male	8	0.7%
Over 50	Female	4	2.9%
<b>Total</b>	<b>Male and female</b>	<b>547</b>	<b>7.9%</b>

Calculation method: The staff turnover rate is the number of company leavers as a percentage of the total number of employees in the respective age group

## Work environment

In order to make our company even more attractive as an employer, we support flexible working models such as part-time hours and flexitime. As part of our mywork@blum initiative, we are also gradually introducing organisational changes – with respect to working hours and location, infrastructure and remuneration – to facilitate flexible working. For instance, we have abolished core working hours for administrative employees, expanded our policies for part-time staff in both administrative and production roles, and improved access to the infrastructure and equipment needed to support flexible and mobile working. We also operate remote offices in Vienna and Feldkirch in Austria in order to offer employees greater flexibility and help us keep pace with current trends such as the digitisation of the workplace, demographic changes and the shortage of skilled workers. We know that employees who feel motivated and well supported in the workplace and who are able to strike the right balance between their professional and private lives will perform better, have more motivation and also be healthier and more satisfied at work. Creating this kind of positive working environment is therefore central to our value system and one of the long-term goals that defines us as an employer and underlines just what it means to be part of the Blum team. We created our **WORK ORANGE** employer branding and **START ORANGE** apprentice branding precisely because we wanted showcase what working at Blum is like and underline the values at the heart of the Blum workplace, notably: respectful and equitable collaboration across all company structures and hierarchies (all employees are encouraged and expected to take responsibility for their work and are given opportunities to take on tasks that stimulate and interest them); zero tolerance of any form of unequal treatment or discrimination; and a working environment without prejudice, where all employees are treated equally regardless of their gender, sexual orientation, world view, nationality or ethnicity. → GRI 406-1

Our **WORK ORANGE** and **START ORANGE** employer branding helps us to position ourselves as an attractive employer and recruit the skilled staff we need. As a business, we want to protect ourselves against the potential risks associated with staff turnover, the emigration of skilled workers and the resulting loss of expertise. We therefore offer our employees targeted personal development opportunities, including those defined in the Blum Path (more information in 'Our comprehensive employee and organisational development strategy' chapter). Our commitment to training and employee development has been recognised on multiple occasions, including with the 'Employer Branding Award DACH 2023' for **START ORANGE** and the 'Brand 4 Young Talents' award in the 'Global Player' category.





## The need for flexibility

The composition of our workforce is typical for a manufacturing business, i.e. around 60% of our employees work in production while around 40% work on the administrative side. The high proportion of full-time staff (92.78%) is also typical for our sector. Only 7.22% of employees work part time; however these employees are not confined to administrative roles. Where appropriate, part-time roles are also offered and taken up in production. By offering flexible employment contracts, we as a business hope to respond to the new world of work and the changing ways that people live their lives. We aim to approach each employee as an individual and agree on conditions – be it home-working, flexitime or time off for training – that work both for them and us as a business. Ultimately, we believe that part-time staff have just as much to offer our business as full-time staff. → GRI 401-2

	Female	Male	Total
Full-time employees in production	301	3,639	3,940
Part-time employees in production	46	93	139
Full-time employees in administrative roles	377	2,001	2,378
Part-time employees in administrative roles	204	149	353
<b>Total</b>			<b>6,810</b>

As a family business, we understand the importance of remunerating our employees appropriately for their work. Salaries are set in line with market rates and all employees are protected by collective bargaining agreements. Variations in salary to reflect qualifications, specialist subject knowledge or experience are agreed on an individual basis. The majority of our employees have permanent employment contracts that continue automatically once they have passed their one-month probationary period. Employees working shifts are given a temporary contract for the first six months (including their one-month probationary period), which can then be converted into a permanent contract.

Transparent and open communication with our employees is one of our core values as a business, in particular when implementing major operational or organisational changes. Any employees affected by such changes will be informed by their line manager at the earliest opportunity, so that they have the chance to make their views heard. All employees are able to view the contents of any works agreements at any time and no time limits are placed on this. → GRI 402-1, GRI 2-30



## Parental leave

At Blum, we believe it is important to cater for our employees' personal life plans and help them find the right balance between their professional and private lives. Parental leave is an important part of this and is available to all Blum employees in line with the relevant legislation. The self-assessment process (which forms part of the Blum Path) provides employees with an important opportunity to shape their personal plan for both their parental leave and their subsequent return to work. During the reporting period, 187 employees – 107 women and 80 men – took a period of parental leave. 95.2% of these female employees and 100% of these male employees subsequently returned to work. These figures are testament to the efforts we make as a business to ensure that we are as well prepared as possible for an employee's return to work and that the transition is as smooth as possible. This commitment to job security and equal access to professional development opportunities are important components of our family-friendly work culture. → GRI 401-3

Parental leave	Female	Male	Total
Number of employees entitled to parental leave	114	713	827
Number of employees that took parental leave	107	80	187
Number of employees that returned to work following parental leave during the reporting period	40	70	110
Number of employees that returned to work following parental leave and were still employed 12 months after their return	30	73	103
Return-to-work rate* in %	95.2%	100%	98.2%
Retention rate* in %	100%	92.4%	94.5%

\*Calculation method: The return-to-work rate is the total number of employees that returned to work following parental leave as a percentage of the total number of employees whose return to work following parental leave had been agreed.

\*The retention rate is the total number of employees that were still employed 12 months after their return to work following parental leave as a percentage of the total number of employees that returned to work following parental leave during previous reporting periods.

## Onboarding

Right from day one, we want to make a positive impression on our employees and foster a sense of loyalty to our company. Following their job offer, we therefore stay in contact with our soon-to-be employees and invite them to company events so that they can get an initial feel for our business. Once they start work with us, we also assign new starters a workplace buddy who is on hand to provide help and support in their first few weeks and months. This removes some of the workload from the employee's line manager and also provides an informal opportunity for new employees to ask questions that may not be directly related to their work. As a result, new starters quickly become part of the team and get up to speed with their day-to-day responsibilities. During their first six months at Blum, new starters also follow the Blum training programme for new employees, which includes mandatory e-learning courses and in-person training sessions that give them a valuable introduction to our business as a whole, as well as the opportunity to network.



## Works council

The works council exists to represent employees' interests to the Management Board. Its members are elected every five years by the Blum workforce. The council promotes a culture of trust across the business, ensures compliance with legal standards and transparency, and concludes binding agreements with Blum as the employer. The rights and responsibilities of the works council are defined in the Austrian Labour Constitution Act (ArbVG). In line with this legislation, the council has an important decision-making role in many areas, not least working hours (shift plans, break times) and overtime. It also plays an advisory role in matters relating to safety and accident prevention, as well as in dismissal or redundancy cases. By working together with the senior company management to find constructive solutions, the works council helps make Blum a safe and attractive place to work with fair working conditions.

Another important employee representative body is the **youth council**, which provides a link between our apprentices and the company and serves as an intermediary between them and the staff responsible for their training. The youth council is elected every two years. Its members (who are all similar-age peers) are responsible for representing the interests of all apprentices at Blum. They also organise excursions and team-building events and actively help shape the way their training is delivered. For instance, the youth council developed a set of guidelines for appraisal meetings which have now been adopted as official protocol across our company. Moreover, the youth council's role is not confined to the training that our apprentices receive in-house at Blum; its members are also on hand to assist apprentices if any problems arise at their vocational college.

## Comprehensive apprenticeship training

At Blum, we've been training apprentices for the last 50 years. In that time, we have continually updated our training methods and content to reflect the latest industry developments and requirements. We currently offer apprenticeships in ten technical fields: electrical engineering, industrial metrology, design engineering, plastics engineering, mechanical engineering, mechatronics, production engineering, material technology, toolmaking and CNC technician. In addition, we offer young people with a secondary school leaving certificate (Austrian Matura) the opportunity to study on our Dual Academy programmes in electrical engineering, mechatronics and application engineering/coding (our 11th training specialisation). All our training programmes are designed to promote trainees' all-round development, providing them not just with specialist professional skills but also opportunities for personal development. To this end, we have expanded our basic training to include environmental and energy topics and made our TIMEout programme – where apprentices are given three paid hours per week to dedicate to sports activities or team games/exercises – a core component of the first year of our apprenticeships. The exceptional quality of Blum's apprenticeships can be seen in the success achieved by Blum's apprentices in various professional competitions. Our apprentices regularly take part in the international WorldSkills and EuroSkills competitions, which are held on alternate years and see apprentices in various fields pitting their skills and talents against one another. Blum's business operations, too, are becoming increasingly international, which is why we offer an EXCHANGE programme for our apprentices. Through this programme, they gain valuable experiences working at various sites around the world and, in doing so, develop their intercultural skills and independence as well as their sense of belonging within our company. 358 of our 6,810 employees at Julius Blum GmbH are apprentices. **Apprentices** therefore make up 5.3% of our workforce (down 0.7% compared to the previous year). 93 apprentices were recruited during the current reporting period.

As in all other areas of our business, diversity and equal opportunities are top priorities for our apprenticeship programme. We are aware that we operate in a largely male-dominated industry and so in 2011 we launched an initiative to promote women in engineering and showcase opportunities for women in traditionally 'male' professions. The aim of the initiative was to increase our numbers of female apprentices and also retain young women in technical professions – and we succeeded. Since we first launched the initiative, the proportion of female apprentices at Blum has steadily increased. We currently (as at 30/06/2024) have 85 female apprentices training with us, which equates to 24% of our current apprentice cohort.



**Our apprentices aren't just skilled professionals; they're the managers of tomorrow. That's why their personal development is just as important as their professional skills training.**

**Robert Kaufmann, Apprenticeship Manager**

## Employee satisfaction

As a value-driven company, we take our responsibilities with regards our employees very seriously. We believe in maintaining an open dialogue with all staff and supporting them from the very start to the very end of their employment. It matters to us that every one of our employees feels content at work because their satisfaction is what makes us an attractive employer and ultimately determines the success of our business. Employee satisfaction levels depend on a number of interrelated factors across several areas. We have introduced appropriate measures and initiatives across all these areas. For instance, the focus of our apprenticeship programme is on trainees' all-round development; in addition to successfully completing their training, we want our apprentices to have opportunities for personal development, since we believe this is a key factor in maintaining their sense of satisfaction at work. Likewise, we apply the same all-round approach when developing our internal and external training opportunities and encouraging employees to develop their leadership and management skills. In addition to training opportunities, we have also taken steps to improve employee satisfaction in several other areas. For instance, our employee app provides employees with a central platform where they can access day-to-day services, such as viewing a digital copy of their payslip or ordering a light meal or snack at work. → GRI 3-3

### Key measures and initiatives:

- Personal development plan (Blum Path)
- Comprehensive apprenticeship training
- Extensive HR services
- Attractive benefits package
- Permanent employment contracts
- Open internal communication (including from Management Board)

Staff turnover and retention are both key indicators of employee satisfaction. Blum's performance under both these metrics demonstrates that it is considered a reliable and desirable employer that people can rely on for job security, including in times of uncertainty and crisis (pandemic, inflation and cost of living crisis). Likewise, average length of service for permanent employees is another good indicator of employee satisfaction. Many Blum staff have worked for us for years and their long service is testament to the strength of our company values in promoting loyalty, team spirit and a strong sense of identity with the Blum brand.

Length of service	10+ years	15+ years	20+ years	25+ years
Average employee retention rate in %	44%	33%	20%	11%

Our position as an attractive employer and ability to offer job security are both key factors in overcoming the current challenges facing the employment market and responding to the impacts of demographic change and the shortage of skilled workers. That is why, in line with our values as family business, we consider the satisfaction of our employees to be one of our top priorities.



## Knowledge and learning

To continue to grow as a company, we must prioritise the continuing professional development of our employees. This means maintaining our internal training management system as a platform for the professional and personal development of every individual staff member; but more importantly, it means focusing on our knowledge management strategy, since this underpins the way we organise, create, use and share knowledge within our organisation. In order to continually improve our knowledge management, we ask ourselves the following questions:

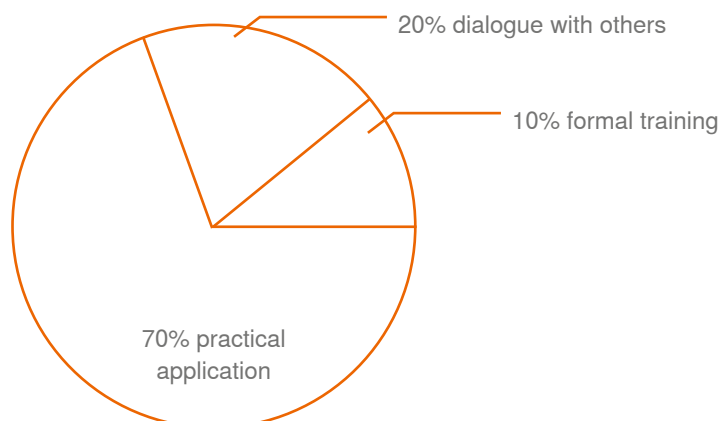
- How do I identify existing knowledge?
- How can I build on and expand this knowledge?
- How can I secure, share, analyse and organise this knowledge?
- How can we use this knowledge to benefit our business?
- How do we best use this knowledge in practice in our everyday activities?

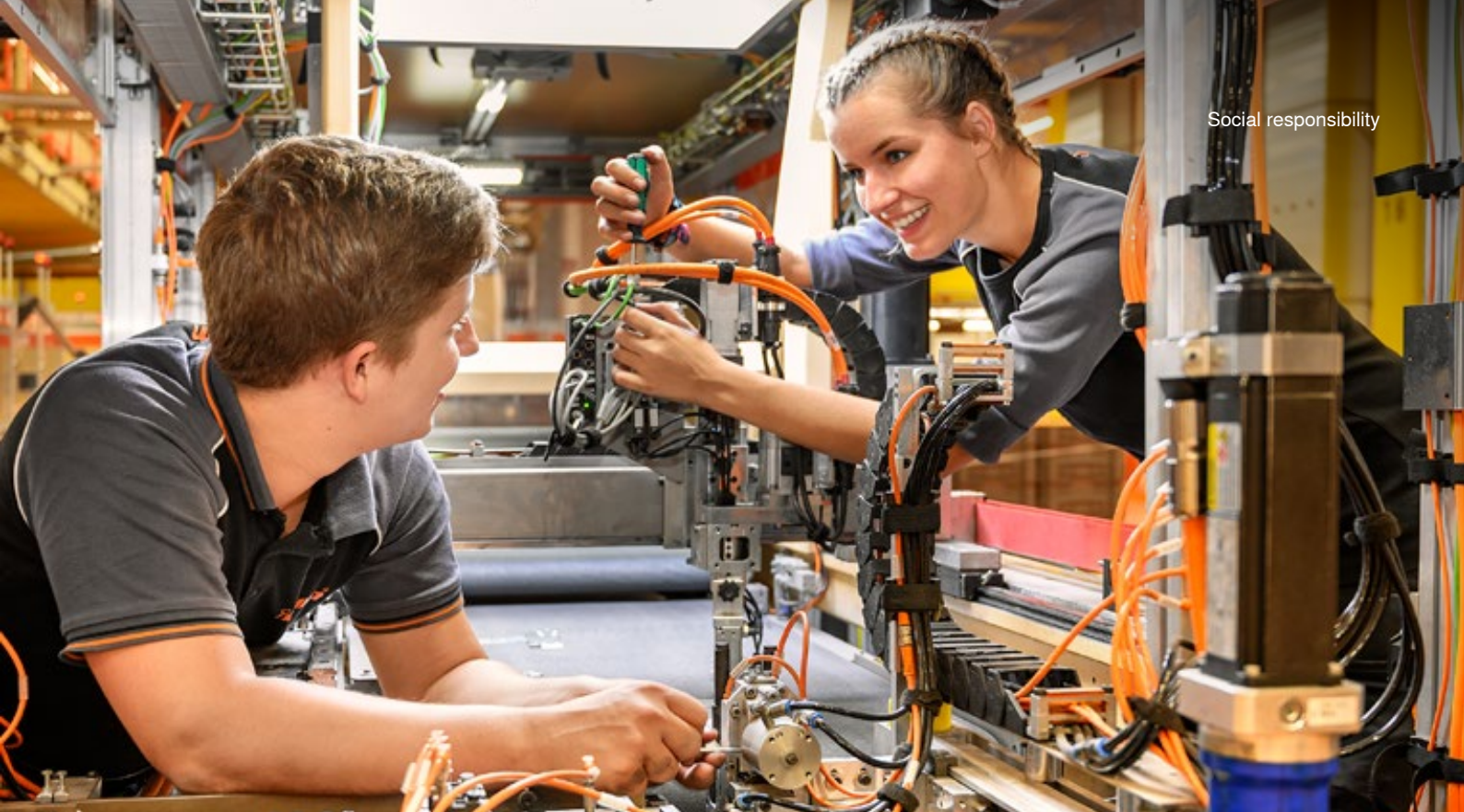
The fundamental aim of effective knowledge management is to have ‘the right information in the right place at the right time’. If we can achieve this, we go a long way to keeping our business competitive and maintaining our position as an attractive employer.

Likewise, alongside effective knowledge management, a constructive learning strategy plays an important role in our business’ success. The Blum approach to learning can be summarised as follows:

### “I learn while working and work while learning.”

This motto underlines both our vision for the learning process and our expectation that our employees take responsibility for their own learning. For us, learning and development are part of the same process. In our everyday work, we all have opportunities to learn and, in doing so, we continue to develop both as people and professionals. Often this learning happens without us even noticing through our interactions with others; other times we may choose to take formal training to develop specific personal or professional skills. The benefits of learning on the job are often underestimated, but in fact this approach has a much greater impact than formal training. If employees are willing to take responsibility for their own development and seek out opportunities to exchange knowledge with others – either in person or through digital channels – then learning and working go hand in hand. All these on-the-job interactions help employees to identify their strengths and weaknesses and develop their individual skills, which ultimately benefits our business. In fact, as the following diagram shows, around 70% of learning occurs through practical application, i.e. on the job; dialogue and interactions with colleagues account for another 20% and only around 10% can be attributed to formal training.





## Training opportunities and organisation

All Blum employees have access to a wide range of training opportunities. Some specialist training is organised and delivered by our own internal experts; however we also take advantage of external courses for certain specialist topics. Continuing professional development is vital to the long-term success of our business. We need to develop both talented managers and specialist staff with specific expertise and skills. We therefore encourage staff to pursue both of these pathways and support them in their chosen career direction through internal training opportunities. It is important to us that our employees focus on their strengths and take on tasks that are a good fit for their talents; however we also want them to gain new skills and qualifications. We have therefore invested in an extensive internal training programme and online training management platform – SabaLearning – which gives all staff access to a comprehensive selection of online, blended and in-person training opportunities. Approximately 3,000 courses are currently available on the platform offering a wide range of personal and professional development opportunities across all different areas of our business. The idea of the SabaLearning platform is to empower employees to take responsibility for organising their own training. Each employee can manage their own individual learning programme and register themselves for relevant courses.

We also have designated training coordinators for each area of the business who are on hand to help employees shape their learning programme in certain subject areas. These training coordinators are responsible for organising and administering courses and training sessions and for helping managers identify training opportunities for their team members. They are also well connected across the business and therefore ideally placed to provide assistance with all matters relating to training, learning and knowledge-sharing. Overall responsibility for coordinating Blum’s professional development activities lies with our Learning steering team, which implements concrete measures in line with our vision for ‘Learning at Blum’. Our Learning Marketplace also provides our in-house trainers – i.e. Blum staff members that deliver internal training courses – with a platform where they can network, share experiences and gain new insights around learning and training. → GRI 404-1, GRI 404-2

Continuing professional development (CPD) hours completed during the reporting period*	2022/2023
Average number of hours’ CPD per employee (male)	11 hrs
Average number of hours’ CPD per employee (female)	17 hrs
Average number of hours’ CPD per employee (for staff working standard office hours)	13 hrs
Average number of hours’ CPD per employee (for shift workers)	9 hrs

\*CPD includes any professional training, paid training sabbaticals or other internal or external training. Workplace inductions are not counted as CPD.



## The Blum Path: our comprehensive employee and organisational development strategy

The Blum Path is a roadmap that starts from employees' first contact with our company and continues right through to the end of their employment and beyond. Along the way, there are several different phases – **familiarisation phase, introduction phase, active phase, transition phase and passive phase** – each with a different focus in terms of training and development. The purpose of the Blum Path is to provide both us as a business and our employees with a binding framework and collective roadmap for our development activities that puts employees' personal strengths centre stage. Just like our corporate strategy, the Blum Path is a long-term strategy that sets out the wider purpose of our business to deliver added value, not just for our customers, but also for our employees in terms of wide-ranging personal development opportunities. Responsibility for achieving this lies with both Blum and our employees. The Blum Path shows us how. It provides our employees with a host of tools to help them develop their skills and in doing so make an active contribution to the future development of our business.

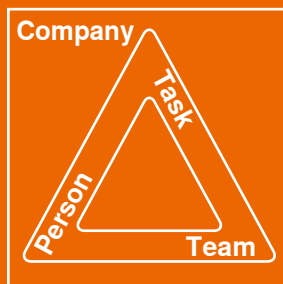
→ GRI 404-2

The Blum Path is based on six principles:



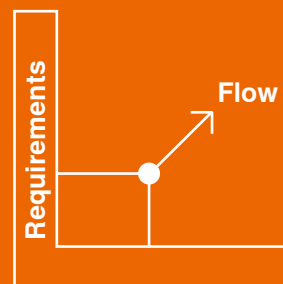
**Personal responsibility - Dialogue - Transparency**

Our employees take responsibility for their performance at work and for their own personal and professional development. They are supported in this by both their managers and colleagues thanks to a culture of open dialogue that promotes transparency and mutual understanding.



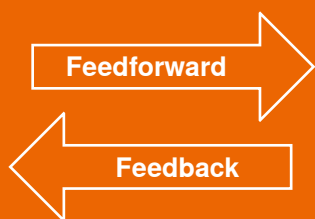
**Task – Person – Team – Company**

Whether we are looking to develop individuals, teams or an entire organisation, we must first consider our collective goals. Employees' personal needs must be aligned with operational requirements and any potential impacts on the team must be discussed. Moreover, the company as a whole must always be kept front of mind. The Task – Person – Team triangle forms the basis for our collective approach to achieving our business aims.



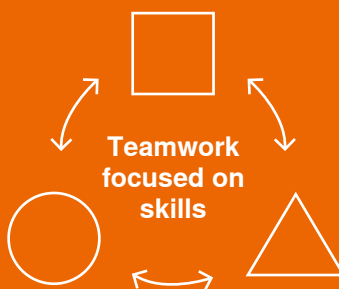
**Flow**

Employees are best placed to fulfil their role and deliver their best work when they have the right skills for the job. Likewise, personal and professional development is at its most successful and fulfilling when there is a natural 'flow' between an employee's job and the skills that they are developing.



**Feedback and feedforward**

Feedback and feedforward mechanisms promote clarity and transparency in employees' everyday work and are a helpful addition to annual and peer reviews. By listening to others' feedback (response to past events) and feedforward (vision for the future), employees can improve their own self-awareness, identify potential areas for development and resolve misunderstandings as soon as they occur.



**Teamwork focused on skills**

We are all cogs in our wider business network and all take on different tasks and roles every day, as managers, technical experts, content creators, leaders and communicators. To ensure that all the different cogs work smoothly together, we spread the management load between different people, trust in our experts to make decisions and take collective responsibility for our actions.



**Development phases**

Continuous development along the Blum Path is essential for every employee and team and for the company as whole. Our development roadmap begins right from the very first contact – before a prospective employee even begins work – and continues even after they have left the company. We support our employees throughout this time and seek to cater for their different needs in each phase of their career and personal life.

## Personal development through mutual dialogue

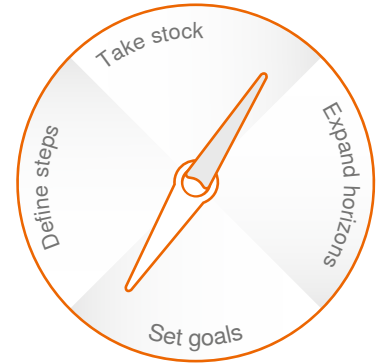
The Blum Path sets out various instruments and tools to promote dialogue and interaction between employees. The purpose of these interactions is to help our employees develop both as people and professionals.



**Employee Development Dialogue**



**Peer review discussion**



**Self-assessment**

An **Employee Development Dialogue** is a dialogue, usually held once a year, between an employee and their line manager. It provides an opportunity to discuss an employee's general development and contribution and forms an important part of our practices as a responsible business. The Employee Development Dialogue consists of three fundamental parts: a self-assessment, a discussion of the employee's main future role and focal areas, and finally the employee's own feedback for their line manager. A **peer review discussion** is a useful addition to the Employee Development Dialogue. It brings together colleagues and network partners who work together day-to-day, so that they can share valuable insights into each other's strengths and weaknesses. Employees generally find this kind of feedback really helpful in shaping their own personal development. A **self-assessment** is an opportunity for employees to reflect on their current role and responsibilities, including their skills, their preferences and their hopes for the future. It helps employees to expand their personal horizons and work out their next development steps. As a long-standing family business, we also consider the transition at the end of an employee's time with Blum to be very important. Employees that leave our company, on either a temporary or permanent basis, are offered an **exit interview** so that we can support them and say goodbye. The main purpose of this meeting is to look back and reflect on the employee's time with us and identify any lessons that can be learned on either side.

## Teamwork

We see our company as a living organisation that continually modifies its structures in line with its changing business needs. Our organisational structure (hierarchy) is the backbone of our company and defines our formal management structure and corporate functions. However, our day-to-day operations are much more dynamic, organised around multidisciplinary and non-hierarchical networks that allow us to tap into the necessary resources and skills.



## Hierarchical organisation

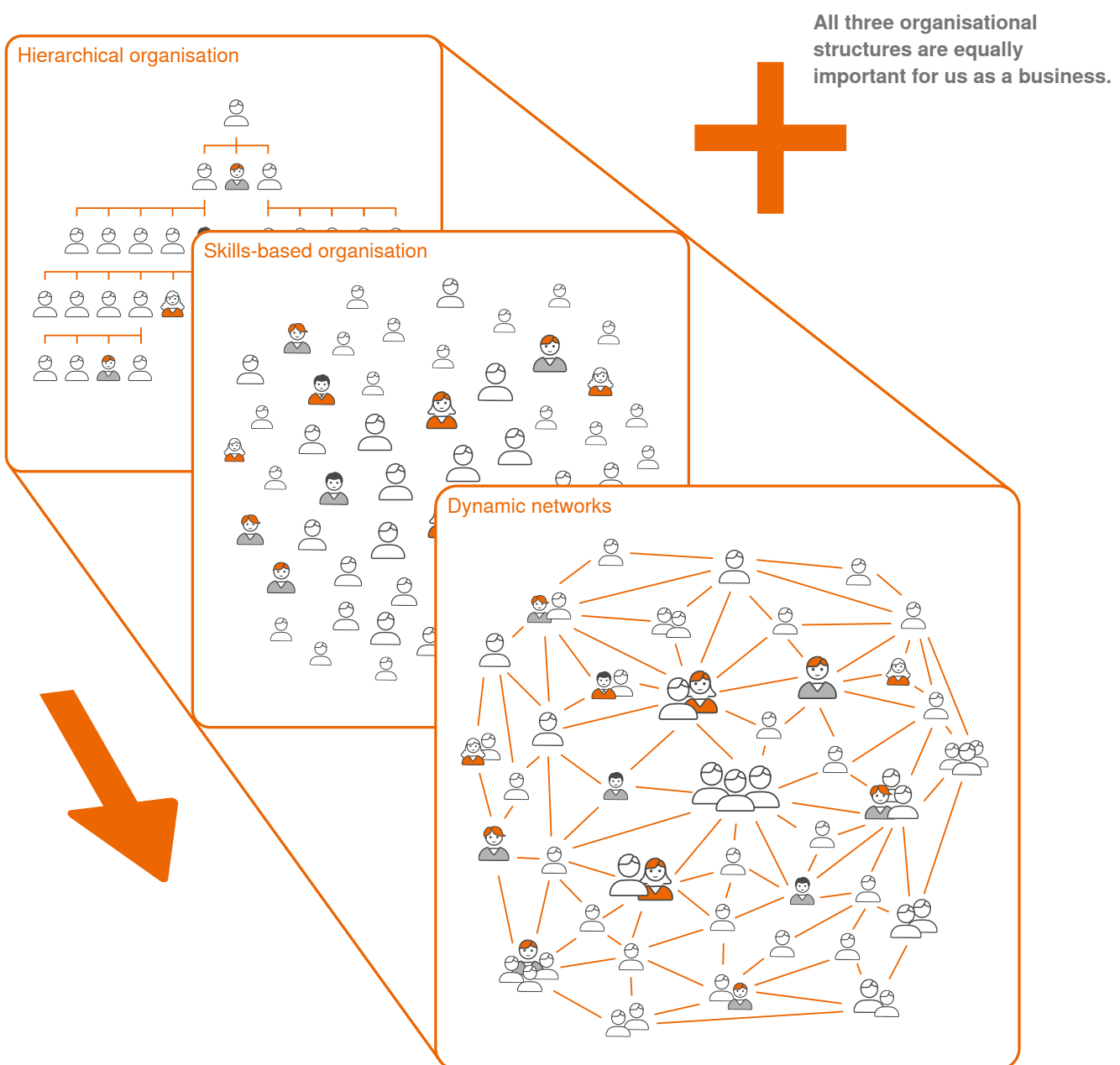
Our hierarchical organisational structure sets out clear management structures and reporting lines. This organisational structure is familiar to us. It has proven effective, it has made us strong and it has put us in the excellent position we enjoy today. In future, we want to retain all the advantages that it offers, not least stability, clarity, reliability and the clearly defined processes that give our employees both a sense of security and guidance – something that is all the more important in times of rapid change.

## Dynamic networks

Many aspects of our business are highly complex and, as such, cannot be assigned to a single individual or organisational unit or positioned within a rigid business structure. To overcome this challenge, several years ago we introduced the idea of dynamic networks. Dynamic networks involve experts from different departments and specialist fields working together to tackle a business need on a cross-company basis. These networks can take many different forms and names, e.g. project, multi-project, platform, hub, programme, process, steering team or specialist team. There is no set way of working and likewise the management structure is fluid with no formal chains of authority. Instead, several people take responsibility for the work process and outcome. The key to success is therefore that everyone involved knows who is responsible for what, so that nobody simply assumes 'someone else will take care of it'. Each network is managed differently depending on the specific situation. Experience shows that this model only works well when everyone participates on an equal footing and there is mutual appreciation between members. The collaboration must be based purely on expertise, and hierarchy must have no role to play. Under this model, Blum employees are members of both an organisational unit within our formal hierarchical structure and a dynamic network (as a member of one or several teams). This dual organisational system requires clear coordination and a high level of transparency across the business.

## Skills-based organisation

A skills-based organisational structure is one that focuses on employees' skills, knowledge and experience. Employees are assigned to tasks or projects based on their skills, regardless of the formal hierarchical structure. One example of skills-based organisation in action at Blum are our internal calls for employees to collaborate on multidisciplinary projects. In these cases, employees can apply to take on additional responsibilities alongside their primary job role provided that they have the requisite skills. Successful team members are selected purely on the basis of their skills. Skills-based organisational decisions can also be seen in everyday actions and individual initiatives, such as when an employee actively seeks out another colleague from within the company because they know that that person has the skills to assist in a particular area.



## Health and safety

We have a health and safety management system in place across all our Austrian plants and sites, which ensures compliance with the applicable legislation and international ISO 45001 standard. In order to continually improve our health and safety standards, we regularly assess our employees' workspaces, workstations and work tasks, so that we can identify any potential risks or hazards at the earliest possible opportunity. These assessments are revised and updated following any change in working conditions and/or any workplace accident or near-miss. All actions taken to improve our health and safety standards follow the STOP principle. This means we first seek to eliminate the root cause of a hazard (substitution). Where this is not possible, our next priority is to introduce technical safety measures, followed by organisational measures. Only as a final step do we introduce personal protective measures for employees.

<b>S</b>	<b>Substitution (elimination of hazard's root cause wherever possible)</b>
<b>T</b>	<b>Technical protective measures (safety devices and equipment)</b>
<b>O</b>	<b>Organisational protective measures (restricted access to hazardous zones, safety instructions)</b>
<b>P</b>	<b>Personal protective measures</b>

At Blum, health and safety is considered a collective responsibility. Health and safety assessments are therefore conducted by our safety managers and internal company doctors, with input from management staff, employees and designated safety officers. All employees are expected to take personal responsibility for maintaining health and standards by reporting any failings and safety risks to their managers. Likewise, all workplace accidents and near-misses must be reported. In the event of an accident or near-miss, managers must document what happened in as much detail as possible and complete an accident analysis including details of the number of people affected and whether they required time off work. The responsible safety officer can also be called upon to help compile this information. The aim of the accident analysis is to determine the cause of accident, so that the findings can be used to prevent the same or similar accidents from happening in future. In the event of a serious accident – or any incident where the manager or safety manager deems it necessary – the responsible safety manager must also complete an extended accident analysis. Safety officers are employees with additional responsibilities around health and safety and accident prevention. They play an important role in our health and safety system and network because they work on the ground and are therefore able to identify problems and risks on-site and help devise appropriate solutions. The purpose of safety officers, the required numbers and their duties, rights and responsibilities are set out in the Austrian Health and Safety at Work Act (ASchG) and the Austrian ordinance governing safety officers (SVP-VO). At Blum, we require there to be at least one safety officer in post in every department where there are increased health and safety risks, e.g. production, workshops, warehouses and dispatch. We currently have 94 safety officers appointed across all our plants and sites. They are responsible for conducting biannual inspections of their departments and also attend an annual meeting of all safety officers held at each plant in order to share experiences and ensure everyone is up to date with the latest information.

→ GRI 403-1, GRI 403-2, GRI 403-7



## Instructions and training

Instructions are an important part of a proactive safety culture. They equip employees with the knowledge they need to perform their work safely, promote a general awareness of safety issues and provide a realistic assessment of any risks. In short, they set out how all employees can promote safe practices and prevent accidents. Instructions highlight the potential risks, describe how employees should conduct themselves safely in the workplace, explain the safety devices and equipment in place and specify what personal protective equipment must be worn. Alongside instructions, we also provide appropriate training on topics such as machinery safety, fire safety and health and safety for managers. All of our employees (100%) are also well versed in our health and safety management system. Moreover, in line with our Supplier Code of Conduct, we expect all our suppliers and partner companies to put the necessary measures in place to protect the health and safety of their workers.

→ GRI 403-4, GRI 403-5, GRI 403-8

## Accidents and ill health

It is our responsibility as a company to provide a safe and hazard-free working environment across all areas our business; however every one of our employees must also play their part. In companies like ours with a strong manufacturing focus, the health and safety of our employees is a top priority that we must all keep front of mind in our day-to-day operations. Unfortunately, even with our proactive efforts to protect the health of our employees and keep them safe, it is impossible to prevent every accident and (work-related) illness. Statistically speaking, if something can happen, it will happen sooner or later – especially if unsafe working practices are allowed to become routine. To ensure we continually improve our health and safety standards, we therefore analyse every workplace accident, work-related illness and hazardous situation that arises in our day-to-day operations. The following tables detail the work-related injuries and cases of ill health that occurred during the reporting period. → GRI 403-9, GRI 403-10

Work-related injuries sustained in the reporting year	Number	Rate*
Fatalities resulting from work-related injuries	0	0
Non-fatal but serious work-related injuries (serious workplace accidents resulting in > 24 days' sick leave)	13	1.06
Documented work-related injuries (notifiable workplace accidents resulting in < 3 days' sick leave)	139	11.32
Number of hours worked (including business trips)	12.27 million	

\*Calculation method for work-related accident rate: number of accidents (minor/serious) / number of hours worked \* 1,000,000

The most common types of injury sustained during the reporting period were cuts, bruising (caused by blunt trauma or crushing), broken bones, torn ligaments or tendons, lacerations, puncture wounds, chemical burns, electric shocks and burns, and concussion. There was also one documented case of work-related ill health where an employee was diagnosed with noise-induced hearing loss.

Work-related ill health	Number	Rate*
Documented cases of work-related ill health	1	0.081
Fatalities resulting from cases of work-related ill health	-	-
Number of hours worked (including business trips)	12.27 million	

\*Calculation method for work-related ill health rate: number of cases of ill health / number of hours worked \* 1,000,000

Another important component of our efforts to prevent work-related accidents and ill health (alongside our extensive health and safety protocols) is our occupational health management provision.

## Occupational health management

The health of our employees is of utmost importance to us. Alongside our health and safety management system, we therefore offer additional support and advisory services to help our employees look after all aspects of their physical and mental health.

### Occupational health service

Our company doctors are on hand to keep our employees healthy and fit for work. They implement a wide range of preventative measures to promote a healthy and safe working environment; inspect and evaluate our work processes; and investigate any physical complaints that arise in connection with our employees' work. They also offer additional medical support services such as personal consultations for employees looking for advice around pregnancy, vaccination information, support with returning to work after a long illness or answers to any other general health-related questions. → GRI 403-3

### Blum employee service

The Blum employee service provides advice and support for employees whose mental health is suffering as a result of their work or personal circumstances. Employees can take advantage of confidential discussions with internal professionals who are there to provide them with a safety net and help them regain a sense of control over their lives. The employee service also supports employees who are returning to work after a long absence or entering retirement. Moreover, it is on hand to support employees following a bereavement, provide advice if they feel overwhelmed or under-challenged at work and answer any general questions around work, health and family life. → GRI 403-6

All in all, we take our responsibilities with regards accident prevention and the health of our employees very seriously, as is evidenced by the comprehensive health and safety protocols and occupational health management services detailed above.

# MOVING IDEAS FOR SUSTAINABILITY

# Governance

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# Partnership across the supply chain

## Key points

- Supplier Code of Conduct drafted and distributed to Julius Blum GmbH suppliers
- Supplier selection process expanded to include risk-based sanction pre-screening
- Specialist internal team created to focus on sustainability in procurement

## Responsible purchasing

As a trusted partner, Julius Blum GmbH procures an enormous range of materials, products and services from a wide range of suppliers. We want to keep the environmental impact of these purchasing activities as low as possible and therefore work hard to select suppliers that share our commitment to environmental protection and social responsibility. Our aim is to establish long-term partnerships with suppliers so that we can work together to promote sustainable practices across the supply chain and bring about collective improvements. Our procurement organisation comprises a team of buyers who are responsible for different goods and services. Procurement decisions are made based on the relevant product and supplier specifications, which are defined in consultation with the purchasing, quality assurance and manufacturing departments. Checks are conducted as part of our supplier management and purchasing processes to ensure compliance with these specifications, notably with respect to product quality and safety, employment conditions and the working environment and environmental standards.

Blum is committed to ensuring that human rights are upheld at all times and considers this an essential part of its role as a responsible business. We stand for fair and humane practices in all our business relationships and require all of our suppliers – from the procurement of our raw materials through to the sale of our products – also to implement fair business practices and uphold human right standards. This fundamental principle underpins all our business partnerships and is reflected in our Supplier Code of Conduct. Likewise, our Supplier Code of Conduct also sets out a number of other principles that we consider central to our relationships with our direct suppliers, notably anti-corruption practices, a ban on child and forced labour, fair working conditions and minimum wages and a commitment to conserving resources and environmental protection more generally.

Just like our products and services, our environmental and energy policy is designed with longevity firmly in mind. We understand the importance of environmental actions and energy decisions for the future of our planet and believe it is our responsibility to monitor practices in both these areas across our value chain. It is essential that environmental legislation and standards are upheld and that wherever possible suitable environmental management systems are put in place. We expect our supply chain partners to act responsibly with respect to natural resources and the environment and to take action to minimise their consumption of raw materials, water and energy. To that end, we look to establish long-term partnerships in all procurement areas and to prioritise partnerships with local suppliers so that we can reap the benefits of more direct – and therefore efficient – working relationships and shorter transport routes. → GRI 3-3, GRI 407-1, GRI 408-1, GRI 409-1, GRI 411-1



## Blum Supplier Code of Conduct

The Blum Supplier Code of Conduct supplements the Blum Code of Conduct and defines the specific human rights and environmental requirements that we place on all our partners within the supply chain for our products and services. It sets out the fundamental principles of our business and our conscious commitment to uphold these and to contribute to the United Nations' Sustainable Development Goals. In line with this commitment, we seek to work with partners around the world that share the principles outlined in our Supplier Code of Conduct, raise awareness of human rights and environmental topics among their employees and demand the same of their own business partners.

A copy of the Supplier Code of Conduct was sent to Julius Blum GmbH suppliers during the reporting period so that they could familiarise themselves with the contents. We expect our suppliers to comply with all applicable legislation as well as the regulations set out in our Supplier Code of Conduct at every stage in the supply chain. To underline this message, a note to this effect is included in every order. A central whistleblower system – the Integrity Line – is now also available on the Blum website so that suppliers can report any infringements of the Supplier Code of Conduct or other relevant misconduct. → GRI 2-23

The Blum Supplier Code of Conduct		
Environment	Social responsibility	Governance
Careful use of natural resources; prevention of soil and water contamination and air pollution; prevention of harmful noise emissions	Ban on all forms of child labour, slavery, forced labour or comparable practices	Compliance with national and international human rights standards and environmental regulations
Re-use and recycling of resources wherever possible; environmentally friendly waste management	Protection of freedoms of association and assembly, fair working conditions and the right to collective bargaining	Establishment of fair and humane working conditions
Ban on illegal use of land, forests and bodies of water	Guarantee of safe and healthy working environment; prohibition of any form of discrimination	Firm commitment to sustainable company goals and their implementation through suitable measures
Compliance with all requirements for and restrictions on the use of harmful substances, conflict minerals and chemicals	Respect for the rights of indigenous populations	Compliance with ethical value system within the supply chain

The Blum Supplier Code of Conduct is available on our website at [www.blum.com](http://www.blum.com).



## Taking responsibility

The vast majority of our procurement contracts are with suppliers based in Austria, Germany, Italy and Switzerland. In addition to complying with all applicable legislation, we expect them and all our other suppliers to share our values and adhere to the standards stipulated by us. To verify compliance, we conduct regular supplier evaluations and audits and these form a key component of our supplier management system.

As part of our supplier selection process, all suppliers are required to complete a self-declaration. The following areas are also evaluated as part of our standard supplier audit process: quality standards, energy and the environment, sustainability, risk factors and occupational health and safety. In addition, the first time a supplier is audited, we examine the supplier's own code of conduct or any other mandatory rules of conduct they use to ensure compliance with ethical, environmental and labour law standards.

As part of our risk-based audit planning, all suppliers are evaluated in terms of their scope for improvement and against other pre-defined criteria. We also conduct regular sanction pre-screening. If this screening shows up areas of concern, we will commission a more detailed audit. Depending on their audit result and categorisation, suppliers are audited either at regular intervals or on a needs basis. Our fundamental goal is always to maintain a dialogue with our partners so that we can define actions for improvement together, discuss potential measures and implement changes. However, if suppliers are repeatedly in breach of the agreed standards or are unwilling to cooperate with us, we reserve the right to terminate our business relationship with them. → GRI 414-1, GRI 414-2, GRI 409-1

## Sedex assessment

Julius Blum GmbH has been a member of the Supplier Ethical Data Exchange (Sedex) since autumn 2022. Sedex is a global data platform for sharing detailed information about ethical and sustainable production practices within the supply chain. At Blum, we pride ourselves not only on producing high quality and highly functional products, but also on our sustainability credentials. We take our responsibilities in this area very seriously and are happy to give our customers access to documentation and information that demonstrates our compliance with the relevant legal regulations and requirements as well as ethical principles and sustainability standards.

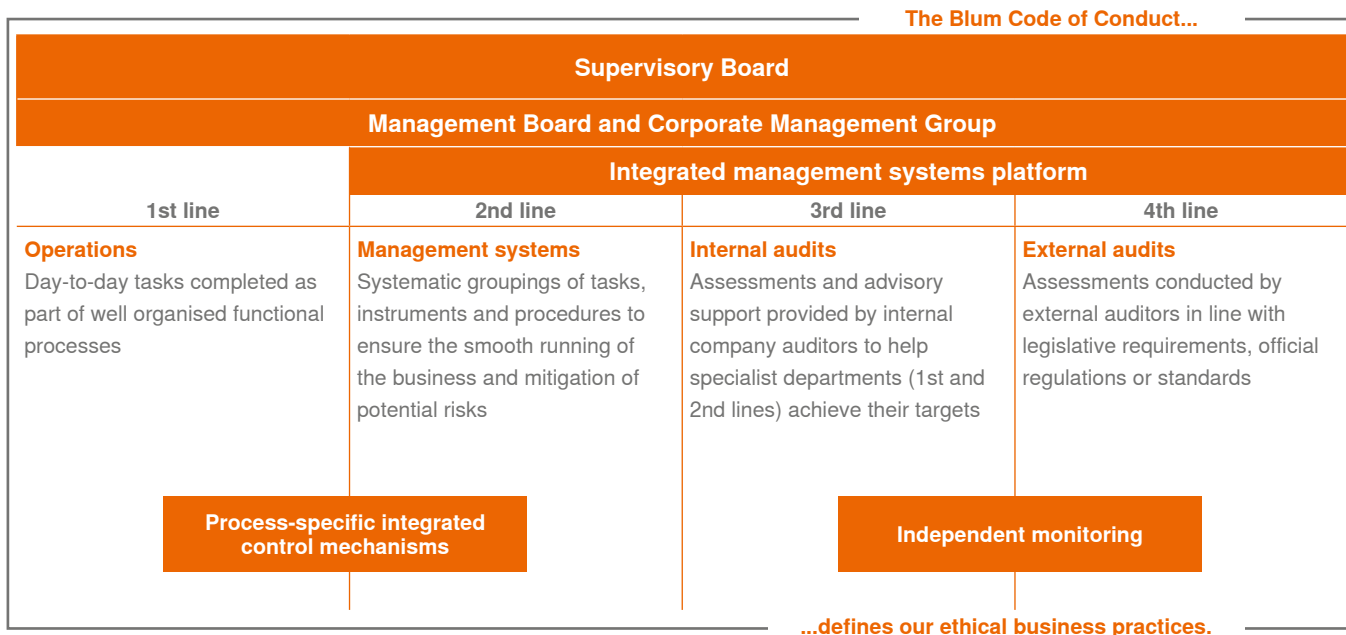
# Business processes and compliance

**Key points**

- Whistleblower system expanded
- Mandatory e-learning course and in-person training introduced for the Blum Code of Conduct
- International compliance network established

Compliance with legal requirements and respectful partnerships with all stakeholders are key components of the Blum value system. Our integrity and serious approach to business are what makes us a trusted business partner and enables us to build lasting business relationships. Likewise, stability and reliability are central to our everyday business operations, as are legislative compliance, fair competition and the complete rejection of all forms of corruption. Due to the large, international nature of our business, we have expanded our Internal Control System and compliance structures going forwards. → GRI 2-24, GRI 2-27

## Internal Control System: 4-line model



## Compliance

The purpose of compliance at Blum is to verify that both the company as a whole and each individual employee is adhering to any relevant legislation and regulations.

Our compliance processes are designed to ensure that compliance is not just a top-level concern for the Management Board, but rather something every employee must keep front of mind. They enable us to monitor and manage the warning signs and early detection flags for cases of law infringement, corruption, improper business conduct and financial crime. Moreover, they play a key role in our efforts to actively identify and manage the risks facing our company, which is why it is so important that all the different areas of our business are involved. To that end, we develop our compliance processes in consultation with all the different teams and networks across our national and international sites. → GRI 3-3

## Compliance network

All Blum employees are required to maintain high ethical standards and to guarantee the integrity of our business dealings with our partners. Responsibility for implementing our compliance processes is therefore company wide. The compliance network within Blum Austria and worldwide comprises several expert representatives from all different areas of the business. They meet regularly to discuss upcoming projects and define the next steps and are available to talk through and resolve important issues on a daily basis. This model and the emphasis on expertise strengthens the sense of corporate responsibility and increases awareness of compliance issues across all areas of our business.

## Blum Code of Conduct

Stability and reliability in our day-to-day business operations are an important part of our international success. The principles and values that we uphold and live by as a company are central to our understanding of what it means to conduct our business with integrity. This value system and our identity as a company are defined in the Blum Code of Conduct, which sets out guidelines for the conduct both of Blum employees worldwide and of any contractual partners acting in Blum's name. All are personally responsible for upholding the legal, professional and ethical standards associated with our business activities.

→ GRI 2-23, GRI 2-25

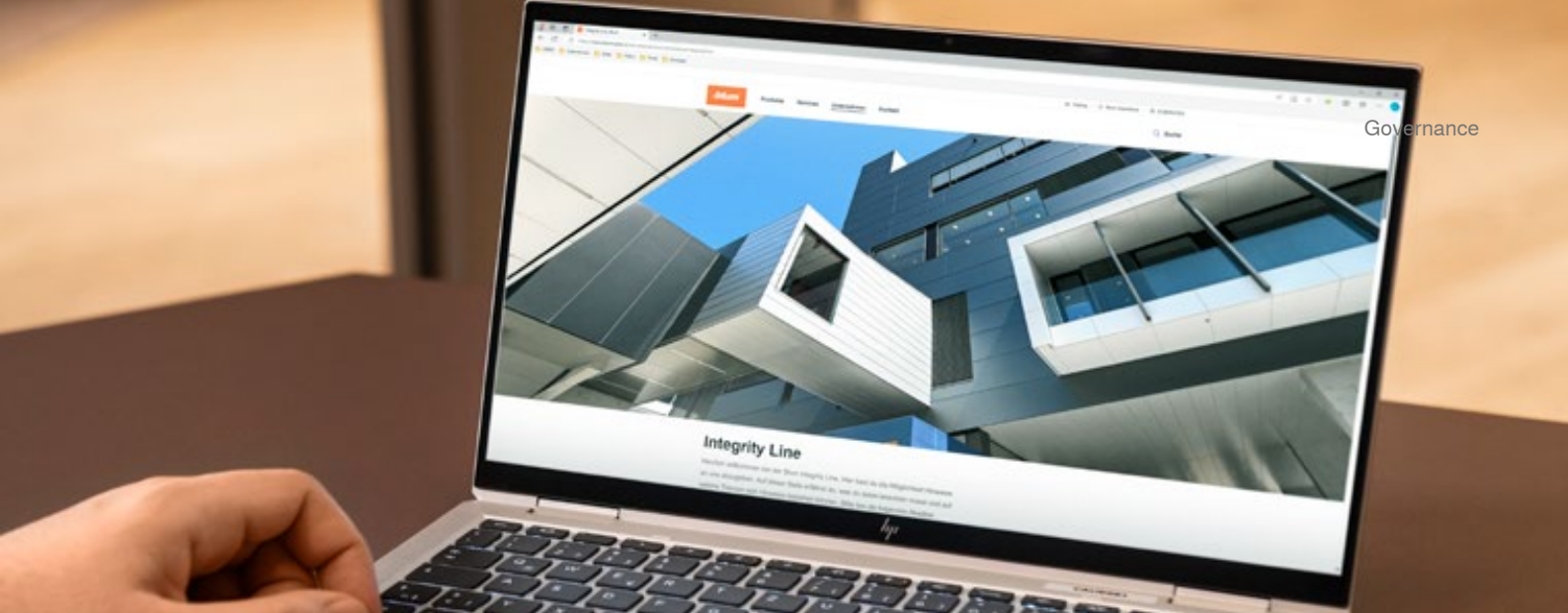
## Code of Conduct training

Regardless of their job title, all Blum employees are responsible for upholding the values and principles that make us a trusted partner. To help staff understand their responsibilities, we offer training aimed at specific target groups that gives employees the necessary understanding of compliance topics and increases awareness of compliance in their day-to-day work. In offering this training, it is important to us that we cater for our employees' different needs and work set-ups. In the coming business year, we are therefore offering in-person training sessions in addition to an online e-learning course, which we hope will help prevent future breaches of our Code of Conduct and strengthen the compliance culture across our business.

The e-learning course on the Blum Code of Conduct was released shortly before the end of the reporting period. To date, **33%** of employees have already taken up this offer, which shows that there is real interest in this topic. → 205-2

## Blum Supplier Code of Conduct

In today's globalised world, where production and supply chains are becoming ever more complex, companies are under increasing pressure to take responsibility for ensuring compliance with social and environmental standards across their supply chains. Our Supplier Code of Conduct serves as an addition to the Blum Code of Conduct and focuses specifically on the human rights and environmental standards that our supply chain partners must fulfil with respect to our products and services (more information in 'Partnership across the supply chain' chapter).



## Our whistleblower system

Our whistleblower system has multiple levels. At the most basic level, we expect any potential breaches of our Code of Conduct to be raised directly with those concerned as part of a personal conversation. This means that any accidental or unintentional misconduct can be quickly stopped and prevented from happening in future. In cases where a personal conversation is not appropriate, our employees and external parties have several other channels available to them for reporting potential misconduct. Reports can be submitted directly to the compliance team, to the relevant manager or to the Management Board. In serious situations, e.g. where lives are at risk or there are major failings in working conditions, the HR team and works council can also be contacted. Those who do not wish to report a situation in person can also make use of our online reporting system – the Blum Integrity Line.

The **Blum Integrity Line** is our online whistleblower system, available to all employees and external parties. It provides a simple, anonymous and confidential mechanism for reporting actual or suspected misconduct and is intended to help increase awareness of the importance of upholding legal standards and acting with integrity in our day-to-day work. As a socially responsible business, we believe it is important to open up this reporting channel and investigate any reports received so that we can instigate the necessary internal processes and implement improvements. The whistleblower system gives us confidence that we are acting in line with the law and the opportunity to audit, question and improve our operations, policies and processes continually. → GRI 2-26

## Information security, data protection and confidentiality

As a responsible business, we take the confidentiality of information and the protection of personal data and operational and business secrets very seriously. **Information security** is therefore a topic that is very important to us. We have an Information Security Management System (ISMS) in place that guarantees the confidentiality, availability and integrity of our company-relevant data, ensures the necessary information security measures are implemented throughout the company and enables us to make ongoing improvements to our information security processes.

All data generated in the course of our business activities is processed with utmost care, and we implement strict security mechanisms in line with **data protection** legislation. Our data security processes are monitored via our data security platform, which is responsible for protecting data across the company and the first port of call in the event of a data security breach or similar.

In addition to prioritising information security and data protection, we also believe that it is vitally important to **protect operational and business secrets**. We have a number of technical, legal and organisational mechanisms in place to protect the secrets both of the Blum Group and of its brands as well as our expertise and reputation more generally. For instance, we place restrictions on the content and the type and volume of information that we share internally, with third parties and with the public. We also make our employees aware that operational and business secrets must be treated with the utmost care and only shared with third parties once a confidentiality agreement has been signed. Where operational and business secrets need to be shared internally or externally – whether digitally, in person on paper – this is done on a strictly ‘need-to-know’ basis in line with our central precept for the handling of sensitive information.

# GRI index

## Statement of use

This sustainability report for Julius Blum GmbH was produced in line with the GRI Universal Standards 2021 and covers the 2022/2023 business year (01/07/2022 to 30/06/2023).

<b>GRI 1</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard</b>	No applicable Sector Standard available.

GRI Standards	Description	Comment/Reasons for omission	Page
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## GRI 2: General Disclosures 2021

### The organisation and its reporting practices

GRI 2-1	Organisational details		10
GRI 2-2	Entities included in the organisation's sustainability reporting		4
GRI 2-3	Reporting period, frequency and contact point		4
GRI 2-4	Restatements of information	No data. First report.	
GRI 2-5	External assurance		4

### Activities and workers

GRI 2-6	Activities, value chain and other business relationships		9, 11
GRI 2-7	Employees		61
GRI 2-8	Workers who are not employees	No data since all Blum workers are employees.	

### Governance

GRI 2-9	Governance structure and composition		8
GRI 2-10	Nomination and selection of the highest governance body		8
GRI 2-11	Chair of the highest governance body		8
GRI 2-12	Role of the highest governance body in overseeing the management of impacts		21
GRI 2-13	Delegation of responsibility for managing impacts		21
GRI 2-14	Role of the highest governance body in sustainability reporting		21
GRI 2-15	Conflicts of interest		8
GRI 2-16	Communication of critical concerns		8
GRI 2-17	Collective knowledge of the highest governance body		21

GRI Standards	Description	Comment/Reasons for omission	Page
GRI 2-18	Evaluation of the performance of the highest governance body	Data not recorded.	
GRI 2-19	Remuneration policies	No data.	
GRI 2-20	Process to determine remuneration	No data.	
GRI 2-21	Annual total compensation ratio	No data.	

#### Strategy, policies and practices

GRI 2-22	Statement on sustainable development strategy		20
GRI 2-23	Policy commitments		15, 81, 84
GRI 2-24	Embedding policy commitments		83
GRI 2-25	Processes to remediate negative impacts		84
GRI 2-26	Mechanisms for seeking advice and raising concerns		85
GRI 2-27	Compliance with laws and regulations		83
GRI 2-28	Membership associations		35

#### Stakeholder engagement

GRI 2-29	Approach to stakeholder engagement		22
GRI 2-30	Collective bargaining agreements		63

### GRI 3: Material Topics

GRI 3-1	Process to determine material topics		28
GRI 3-2	List of material topics		32

#### Energy and climate impact (material topic)

##### Chapter in report titled 'Energy and climate impact'

GRI 3-3	Management of material topics		38
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#### GRI 302: Energy 2016

GRI 302-1	Energy consumption within the organisation		39
GRI 302-2	Energy consumption outside of the organisation	No data.	
GRI 302-3	Energy intensity		40
GRI 302-4	Reduction of energy consumption		40
GRI 302-5	Reductions in energy requirements of products and services		52

GRI Standards	Description	Comment/Reasons for omission	Page
<b>GRI 305: Emissions 2016</b>			
GRI 305-1	Direct (Scope 1) GHG emissions		43
GRI 305-2	Energy indirect (Scope 2) GHG emissions		43
GRI 305-3	Other indirect (Scope 3) GHG emissions	Complete information not available. If available, data to be published in the coming reporting year.	
GRI 305-4	GHG emissions intensity	Complete information not available. If available, data to be published in the coming reporting year.	
GRI 305-5	Reduction of GHG emissions		42
GRI 305-6	Emissions of ozone-depleting substances (ODS)	Complete information not available. If available, data to be published in the coming reporting year.	
GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Complete information not available. If available, data to be published in the coming reporting year.	
<b>GRI 301: Materials 2016</b>			
GRI 301-1	Materials used by weight or volume		46
GRI 301-2	Recycled input materials used		48
GRI 301-3	Reclaimed products and their packaging materials	Complete information not available. If available, data to be published in the coming reporting year.	
<b>GRI 303: Water and Effluents 2018</b>			
GRI 303-1	Interactions with water as a shared resource		53
GRI 303-2	Management of water discharge-related impacts		53
GRI 303-3	Water withdrawal		53
GRI 303-4	Water discharge		53
GRI 303-5	Water consumption		53
<b>GRI 306: Waste 2020</b>			
GRI 306-1	Waste generation and significant waste-related impacts		54
GRI 306-2	Management of significant waste-related impacts		54
GRI 306-3	Waste generated		56
GRI 306-4	Waste diverted from disposal		56
GRI 306-5	Waste directed to disposal		56

GRI Standards	Description	Comment/Reasons for omission	Page
<b>Employee satisfaction (material topic)</b>			
<b>Chapter in report titled 'Spotlight on our people'</b>			
GRI 3-3	Management of material topics		60
<b>GRI 401: Employment 2016</b>			
GRI 401-1	New employee hires and employee turnover		61
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		63
GRI 401-3	Parental leave		64
<b>GRI 402: Labour/Management Relations 2016</b>			
GRI 402-1	Minimum notice periods regarding operational changes		63
<b>GRI 403: Occupational Health and Safety 2018</b>			
GRI 403-1	Occupational health and safety management system		75
GRI 403-2	Hazard identification, risk assessment, and incident investigation		75
GRI 403-3	Occupational health services		77
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety		76
GRI 403-5	Worker training on occupational health and safety		76
GRI 403-6	Promotion of worker health		77
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		75
GRI 403-8	Workers covered by an occupational health and safety management system		76
GRI 403-9	Work-related injuries		76
GRI 403-10	Work-related ill health		76
<b>GRI 404: Training and Education 2016</b>			
GRI 404-1	Average hours of training per year per employee		69
GRI 404-2	Programmes for upgrading employee skills and transition assistance programmes		69
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Data incomplete. No central records of employee development dialogues.	

GRI Standards	Description	Comment/Reasons for omission	Page
<b>GRI 406: Non-discrimination 2016</b>			
GRI 406-1	Incidents of discrimination and corrective actions taken	No incidents during the reporting period.	
<b>Human rights and environmental impacts in the upstream value chain (material topics)</b>			
<b>Chapter in report titled 'Partnership across the supply chain'</b>			
GRI 3-3	Management of material topics		80
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>			
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		80
<b>GRI 408: Child Labour 2016</b>			
GRI 408-1	Operations and suppliers at significant risk for incidents of child labour		80
<b>GRI 409: Forced or Compulsory Labour 2016</b>			
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour		80, 82
<b>GRI 411: Rights of Indigenous Peoples 2016</b>			
GRI 411-1	Incidents of violations involving rights of indigenous peoples		80
<b>GRI 414: Supplier Social Assessment 2016</b>			
GRI 414-1	New suppliers that were screened using social criteria		82
GRI 414-2	Negative social impacts in the supply chain and actions taken		82
<b>Business processes and compliance (material topic)</b>			
<b>Chapter in report titled 'Business processes and compliance'</b>			
GRI 3-3	Management of material topics		83
<b>GRI 205: Anti-corruption 2016</b>			
GRI 205-2	Communication and training about anti-corruption policies and procedures		84
<b>GRI 417: Marketing and Labeling 2016</b>			
GRI 417-2	Incidents of non-compliance concerning product and service information and labelling	No incidents of non-compliance during the reporting period.	
GRI 417-3	Incidents of non-compliance concerning marketing communications	No incidents of non-compliance during the reporting period.	







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Our site in the USA is certified to ISO 9001.  
Our site in Brazil is certified to ISO 9001, ISO 14001 and ISO 45001.



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