

2021

SUSTAINABILITY REPORT

Blaser

J.P. SAUER & SOHN
ESTABLISHED 1751

L I E M K E



MINOX
Great Price. Great Performance.

EST. 1775
RIGBY



This report will use gender-neutral language wherever appropriate.

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FOREWORD



Hunting certainly has a special significance where sustainability is concerned. After all, taking a responsible approach toward natural habitats has always been a key component of hunting – even before sustainability became a hot topic in public discourse. Hunting therefore directly helps people to achieve their aim of living in harmony with nature.

Numerous projects and studies show that hunting and hunters promote biodiversity and support a sustainable approach toward nature. This does not just apply to species that can be hunted. Other wildlife can also benefit from gamekeeping by hunters. It has also been proven that hunters make a positive contribution to society in many poor regions of the world, as highlighted in our op-ed article (page 54) by Dr. Rolf D. Baldus, an experienced wildlife manager and conservationist.

Sustainable development

Out of this inherent understanding of sustainability, we hunters feel we have a particular duty to nature. The Blaser Group's sustainability strategy is therefore to take responsibility for nature and its wildlife. Sustainability is part of the Group's corporate DNA, and relevant policies will be continuously developed in a sensible way. When it comes to sustainability, all departments need to step up to the plate and factor it into their daily processes and their long-term strategy. This begins with product development,

is continued in supplier selection, and ends with the delivery of our products. We have been complying with the stipulations outlined in the new Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz) long before this law even came into force. Central departments such as HR, Data Processing or Legal Compliance are also acting with a long-term sustainability in mind. The aim of our commitment here is to make a contribution toward the Sustainable Development Goals set out in the United Nations' 2030 Agenda. These 17 goals include ecological, social and economic aspects intended to guarantee a sustainable approach toward available resources and therefore a better future.

Joint effort for success

The fact that success is always a joint effort was once again confirmed in 2021. The year challenged us all. The positive development was welcome, but it was not exactly foreseeable at the beginning of the year. The high volume of orders received at the beginning of the year and another lockdown in spring did have people worried that a midyear decline was on the horizon. But together with our partners and our colleagues in Germany and abroad, in manufacturing, sales, distribution, and marketing, we were able to finish the year achieving record turnover. By August, we had already made the same number of barrels as the previous year. And by the end of the year, we achieved the highest output in our company's history. It is

particularly gratifying to know that this positive development was experienced at Blaser, Mauser, and Sauer in equal measure.

Extraordinary commitment

On behalf of Blaser Group management, I would therefore like to thank our customers and partners for the successful cooperation. In particular, our thanks go out to all the colleagues whose effort and dedication made this development possible. What an extraordinary accomplishment considering we started 2021 on short-term work compensation and went on to renew and expand most of our machinery and then immediately integrate the new machines into series production. On a related note, we were also able to make our production capacity more consistent. All this has helped to increase the satisfaction of our customers, partners, and employees.

Digital presence

Since 2020, we have been systematically expanding our digital presence and communication channels so that we can continue to be a leader in our industry in terms of future issues relating to digital marketing, digitalization, and e-commerce. This does not solely concern external communication: We are using better online tools within the company so that our employees can broaden their skills while also conserving precious resources, such as paper.

We would like to provide our customers, employees, suppliers, and other stakeholders with regular updates on our endeavors to become more sustainable and offer transparent communication on our joint projects. In order to do this, we will be publishing an annual Sustainability Report from now on. Not only does this make the Blaser Group fit for the future, but it also makes an important contribution toward future generations being able to experience nature in the same way as we do today.



*Dr. Jens Uwe Drowatzky
CEO of the Blaser Group*

1

COMPANY

Approx. **185** million euros in sales
worldwide, at 17 sites

17 sites

Isny | DE
Wetzlar | DE
San Antonio | US
Höfen | AT
Güssing | AT
Verona | IT
Alcalá de Henares | ES
Benfeld | FR
Budapest | HU
London | UK

Guildford | UK
Haslev | DK
Trelleborg | SE
Oslo | NO
Grabovo | BG
Namibia | NA
Pretoria | ZA

Approx. **0.02** kg of CO₂ emissions per
1 EUR of sales

Approx. **1,000** employees worldwide
New in 2021: around 110



Approx. 25 percent women
Approx. 75 percent men

35 apprentices in Germany alone,
in 10 skilled occupations

The Blaser Group is synonymous with extremely robust and reliable equipment for hunters and outdoor enthusiasts, high-quality workmanship, and pioneering product ideas. With the brands Blaser, LIEMKE, Mauser, MINOX, Rigby, J.P. SAUER & SOHN, and the companies Blaser Group Wetzlar and Blaser Safaris, the Blaser Group is one of the world's leading manufacturers in the hunting and outdoor industry.

At the Centers of Excellence in Isny and Wetzlar, each brand develops its own product portfolio – with passion and the aspiration of making customer requests come to life, day after day and to the highest quality standards.

Looking at the bigger picture, then, the Blaser Group is thus a system provider that develops solutions. The company harnesses synergies and thinks beyond individual divisions, making it unrivaled on the market.

The prerequisite for this success is also a continuous process improvement, not just in manufacturing but also in HR. As such, we promote our employees' existing qualifications and invest in new ones. We intend for more of our foreign subsidiaries to also adopt this philosophy in future.



TAKE RESPONSIBILITY NOW

Climate-neutral production

The climate is changing, with far-reaching consequences for nature. For the Blaser Group, whose customers are always roaming the countryside, it is therefore only logical that we take responsibility for CO₂ emissions in the context of our business operations. The first step the company therefore took was to calculate the greenhouse gas emissions produced through its business activities – despite its state-of-the-art manufacturing methods and efficient use of resources. In an effort to immediately counteract climate change, unavoidable CO₂ emissions were offset by the relevant CO₂ certificates for 2021. These will support certified reforestation projects. This way, the Blaser Group is running carbon-neutral operations across all brands and all sites worldwide.

Wildlife conservation

In 2021, the Blaser Group launched the Blaser Fawn-Rescuer wildlife protection project. Drones with thermal imaging cameras were loaned to district hunters' associations, local gamekeeping groups, and individual hunters to help them effectively protect small game when the grass is mowed in early summer. This season, the Blaser Fawn-Rescuer project has managed to rescue more than 280 fawns and many other wild animals. As far as the Blaser Group is concerned, business activities and social responsibility go hand in hand. Following the success and the major demand from the hunting community in Germany and abroad, the wildlife protection project will be continued and rolled out internationally in 2022. To finance the acquisition of more drones, Blaser auctioned off an extraordinary hunting rifle from the Custom Shop during the World of Hunting and Nature Exhibition in Budapest. Internationally, the rhino dehorning conservation project at the Sney Rivier Lodge in Namibia is already up and running. Huge efforts have been made to protect rhinos from poachers by dehorning them (see page 50).

Resource conservation

Ideally, sustainable manufacturing should conserve energy and raw materials from day one. The Blaser Group has therefore spent years examining ways in which it can integrate additive manufacturing into its production processes. The decision to introduce 3D printing over the past year was therefore a logical one. In 3D printing, components are constructed layer by layer. So instead of reducing the expensively manufactured raw materials to the required shape by milling or turning them, 3D printing only uses the amount of materials actually required for the component. This also lowers the individual component's energy consumption for the entire manufacturing process. In addition, only small quantities of auxiliary materials are required, so this conserves raw materials and energy.



The Blaser Fawn-Rescuer project

With the Blaser Fawn-Rescuer wildlife protection project, Blaser is helping hunters and farmers to effectively protect small game. When the grass is mowed in early summer, Blaser loans out drones with thermal imaging cameras to district hunters' associations, local game-keeping groups and individual hunters.

There are two layers to the measures: First comes learning to fly the drones (and obtaining a drone license), then comes rescuing the fawns. In fawn rescuer trainings organized by Blaser, attendees are coached on how to rescue the animals. They are taught how to fly the drones

and given best-practice documentation on how to prevent fawns and other wildlife such as hares, partridges, and hedgehogs from being killed by mowers. The project is part of Blaser's long-term sustainability strategy. It will be rolled out internationally from 2022.

The Blaser Fawn-Rescuer team is located throughout Germany. By late May 2021, the tireless volunteers had already rescued 278 fawns, three baby cranes, three baby rabbits, three duck eggs and a baby deer.

Thank you, once again, to everyone involved!







THE BLASER GROUP – our mission

In touch with nature

As hunters, nature conservationists, and outdoor enthusiasts, we feel a connection to the flora and fauna around us. Taking a conscious approach to the resource of nature is tradition for us. We also incorporate this passion into our day-to-day work. At the same time, we are modern, future-oriented, and we create the traditions of tomorrow!

This is how we have become the technology leader, offering perfectly coordinated equipment to inspire our customers.

Our aims include:

1. To develop innovations that are most relevant to our customers in order to create genuine added value,
2. To create a holistic design that is superb at expressing the systematic connection between the individual products and provides exceptional functional benefits,
3. To take a sustainable approach to various resources and a high level of responsibility in terms of the long-term prospects of the entire company and its environment.



THE BLASER GROUP – regional roots, international success.



1957

The Blaser Group is characterized from day one by family ownership structures. Reliable continuity in terms of the company's development therefore went hand in hand with a high sense of responsibility toward employees, partners, customers, and the environment.

The history of the Blaser Group began when Blaser GmbH was founded in Isny, Germany in 1957. The Group's head office is still located here today.



2000

In 1985, Horst Blaser sold his company, which, by then, had grown to 60 employees, to entrepreneur Gerhard Blenk based in the Allgäu. Over the next few years, the passionate hunter further strengthened the company's international market position.



Entrepreneurs and enthusiastic hunters Michael Lüke and Thomas Ortmeier ultimately acquired the firearms manufacturer in 2000. At the same time, they also purchased the traditional brands Mauser and J.P. SAUER & SOHN from SIG. This triggered another expansion phase. The company site in Isny has been evolving into a Center of Excellence for hunting and outdoor equipment ever since.

2013

In 2013, the purchase of British gunmaker John Rigby & Co. revived a previous cooperation between Rigby and Mauser from back in the early 20th century. Since then, the brand, which represents the mythos of hunting in Africa, has experienced plenty of success in its development. This is down to new models as well as extremely committed sales partners and a dedicated team in London.

In the same year, the Blaser Group extended its expertise to precision optics by purchasing MINOX. By bringing together expertise and establishing an intensive dialog between optics specialists and firearms experts in one location, it generated totally new synergies that were a benefit to customers across all companies. This enabled new products to be developed more quickly and be made to better suit the specifications. The manufacturer of Blaser optics, Blaser Group Wetzlar, remains at the site in Wetzlar.



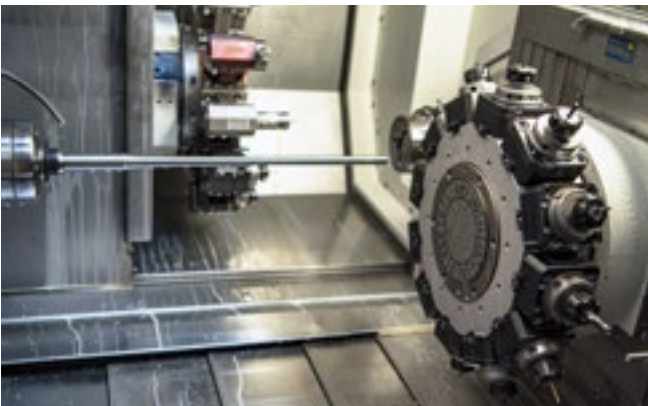
2020

This expansion strategy systematically continued in 2020 with the purchase of LIEMKE. The German specialist in thermal imaging optics has been operating since 2008 and developing its own optics since 2014. This has added new technologies to the product range, thus expanding it further. All this underlines the Blaser Group's claim of being a system provider for hunters and outdoor enthusiasts and offering innovative products with a genuine customer benefit. At the same time, customers can expect the quality and service associated with the "Made in Germany" quality seal.


**MADE
IN GERMANY**

2022

The development of the product portfolio has been accompanied by the expansion of our own sales and distribution network. After South Africa, Hungary, and the USA, the UK (2013), Italy (2018), Denmark (2017), Sweden (2019), Norway (2020), France (2021), and Spain (2022) have been added over the last few years. The shared aim is to improve customer proximity. Not only does this allow the Blaser Group to offer a better service, but it also means that the needs of hunters in specific countries can be met through the development of new products. In total, Blaser better exports to more than 70 nations.



Made in Germany

The decision to ensure products are “Made in Germany” is an acknowledgment that Germany is an excellent manufacturing hub. It is also a nod to the employees at the Blaser Group and a conscious commitment to being sustainable with resources.

After all, by reducing transport routes, setting up reliable supply chains, and manufacturing products that have a long lifetime thanks to their high quality, the company manufactures in an eco-friendlier way and adds value for its customers.



THE BLASER GROUP – our brands

Blaser

J.P. SAUER & SOHN
ESTABLISHED 1751

L I E M K E




MINOX
Great Price. Great Performance.

Est 1775

RIGBY



Blaser

Traditions of tomorrow. In 1957, gunmaker Horst Blaser made his vision of a safe and reliable hunting rifle a reality by developing a lightweight combination gun called the Diplomat. It featured an innovative single-lock manual cocking system with a cocking lever on the grip of the gun, which offered maximum safety when carrying the weapon rifle. The Diplomat was a major success and was



sold via the hunting outfitter Frankonia. Three years later, the BBF 60 model was the first to be manufactured by machine. This led to very high precision in series production, and made Horst Blaser a pioneer in industrial manufacturing, which led to CNC machining in the late 1970s.

The R93 set new standards

In 1985, Horst Blaser decided to sell his business, which employed 60 people at the time, to entrepreneur Gerhard Blenk from the Allgäu. This move encouraged further internationalization. The number of employees grew, sales increased, and the site in Isny was continuously expanded. A very special milestone during these years was the R93 bolt action rifle: Its modular construction, manual cocking system, match trigger, repeatable mounting system, and short design set new standards worldwide: More than 250,000 of them were sold.

A one-stop shop

Fifteen years later, the entrepreneurs and enthusiastic hunters Michael Lüke and Thomas Ortmeier acquired Blaser and systematically expanded the firearms manufacturer into a system supplier of high-quality hunting and outdoor equipment. Blaser became a

premium lifestyle brand! The shotgun F3, which had been developed from scratch, followed, as did the successor to the R93 – the R8 bolt action rifle, which came out in 2010 and is equally known for its modularity. Tour operator Blaser Safaris and experts in hunting and outdoor clothing Blaser Outfits were then established. The new rifle models, for example the Blaser Bockdrilling BD14 and the R8 Silence, lived up to Blaser's business goal of launching only real innovations. The firearms manufacturer also did not shy away from breaking into completely new fields, introducing its own binoculars and rifle scopes in 2017. Meanwhile, the second range of riflescopes has already been brought to market. The range of optics was rounded off with a red dot sight.

The company continuously grows, but one thing remained the same: Its uncompromising quality standards, which ensured genuine innovations. This is precisely what hunters appreciate.





Blaser s a f a r i s

The experts at Blaser Safaris have been offering unforgettable hunting trips around the world since 2005. Today, customers have the choice of 44 hunting areas and 78 game species. Blaser Safaris also focuses solely on the hunting areas that the team know personally. This ensures that the local philosophy relating to responsible and ethical hunting is in line with Blaser Safaris' and its customers' standards.

At the same time, the hope for a large trophy is by far not the only appealing aspect of hunting in other countries. Creating memories while being in the great outdoors which will last a lifetime is what matters. Just the thought of being able to have an intense experience involving largely untouched, pristine nature is captivating. Spotting unknown species of wild animals and gaining a sense of

their demeanor. Stalking during the day while learning lots of interesting information from professional hunters, including their hunting traditions and cultural differences. In this way, traveling hunters become the connecting link between nature and humanity and between themselves and other people. These experiences are not really possible any more in local hunting grounds in Germany due to extensive spatial planning measures and government mandated wildlife management.

What is more, it is the fact that hunters are willing to travel to faraway countries that gives the wild animals their financial value. Even conservation organizations, which are otherwise rather critical of hunting, acknowledge that there is almost nothing more useful to wildlife conservation than sustainably managed, regulated hunting. Dr. Rolf D. Baldus explains more about these positive impacts on page 54.



J.P. SAUER & SOHN

ESTABLISHED 1751

Values for generations. Ever since it was founded in 1751, J.P. SAUER & SOHN has been synonymous with timeless elegance and uncompromising quality. For generations, the firearms by the oldest German hunting rifle manufacturer have been delighting hunters who believe their rifle is more an expression of their personality than a simple tool.

Through the generations, the main ambition of the engineers, designers, and gunmakers at J.P. SAUER & SOHN has always been to keep taking the workmanship of the steel and wood – the rifle's raw materials – to the next level. Building rifles that were always modern, but never fashionable, was Sauer's aim at all times. From the very beginning, what is now considered the oldest German armory set itself the standard of creating rifles using the best and most modern materials and technologies of that particular era that clearly stand out from the masses in terms of their timeless elegance, supreme precision, and consistent quality. Staying true to



these values, Sauer marked its 270th anniversary in 2021 by releasing a special edition. Not only was it made of exclusive stock woods, but the modern surface technology also highlighted the values that have represented Sauer for 270 years and will continue to delight the generations to come.

The past as a challenge

The Sauer team sees this past as a challenge to make even more possible in the future. As such, the hunting rifles developed and manufactured at the Isny site combine all the usual top-of-the-range Sauer ingredients and are perfectly executed thanks to spectacular innovations and exquisite artisanship. But it's never enough for Sauer. Every single day, the team's aspiration is to revitalize the employees' combined practical expertise with 21st century technology and the aesthetic roots of J.P. SAUER & SOHN. The aim is to proactively shape the future of Sauer as a global brand.

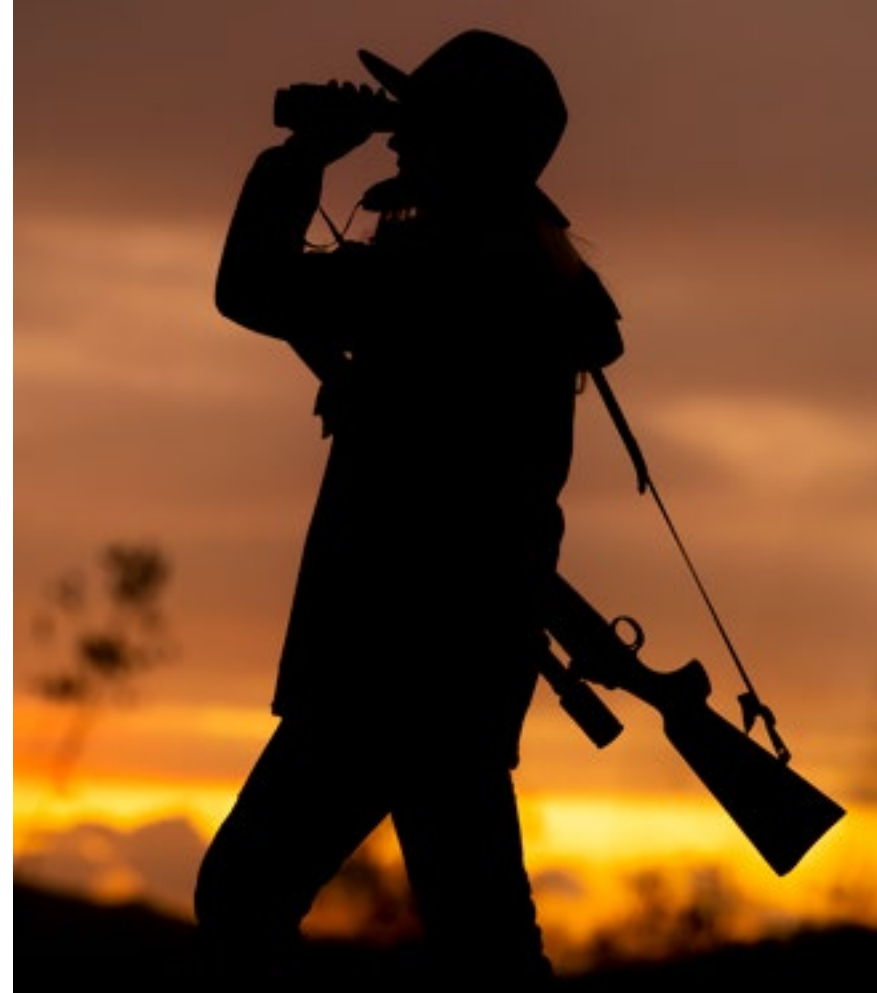


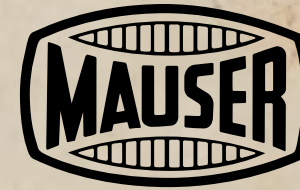


LIEMKE

A leader in image quality. LIEMKE has been active in all areas of the thermal imaging technology market since 2008. The company has been developing optics with the highest standards of technical innovation and excellent quality since 2014. It also offers an extensive range of services and is known for its quick and competent handling and processing.

Combining the expertise of the individual brands has enabled the Blaser Group to become a system supplier for hunting. Practical added value is generated for customers as the entire solution comes from one entity. They can therefore rely on the hunting rifle, optics, and mount being perfectly coordinated.





DAS ORIGINAL

MAUSER – DAS ORIGINAL. For more than 140 years, the Mauser brand has been considered a symbol of authentic and successful hunting across the world. It is synonymous with uncompromising functionality, indestructible design, and absolute reliability. To that effect, solid and reliable Mauser bolt action rifle technology, the one-piece steel construction, and the Mauser double square bridge mesmerize hunters the world over.

The triumph of the Mauser bolt assembly system, which is still seen as legendary to this day, began in 1898 when it was used in the rifle 98 issued to the Prussian army. Since then, over 100 million 98 systems have been made worldwide. This makes the legendary Mauser 98 system one of the world's most successful bolt-action rifles ever produced.

The 98 still forms the basis for the design, construction, and constant redevelopment of Mauser rifles. With these foundations laid, Mauser creates genuine tools without any of the bells and whistles but with functionality and practicality like no other. Because when it comes down to it, people always rely on DAS ORIGINAL.

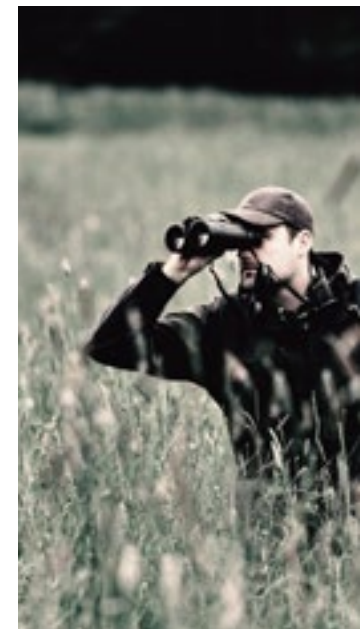




MINOX

Great Price. Great Performance.

MINOX – a specialist in cutting-edge optical technology. Since inventing the famous spy camera, the MINOX brand has been known worldwide for its perfect miniaturization of cutting-edge technology. In the same vein, MINOX today is known for its extraordinary innovative strength in the field of long-range optics. When constructing and manufacturing its products, the brand is uncompromising when it comes to prioritizing the best possible quality and mechanical precision. MINOX products are also extremely robust. Their exceptional solidity is once again the result of German engineering, true to the "Made in Germany" quality seal.







Est  1775

RIGBY

Legends and bestsellers. Founded in 1775, John Rigby & Co's history dates back more than 240 years. Today, the London-based company is one of the last to be manufacturing and selling hunting rifles there. Its current product and service portfolio is carefully developed with a huge amount of awareness of the company's illustrious history. At the same time, the Rigby team believes it is important to lay the foundations so that it can offer customers unforgettable experiences – for life.





2

STRATEGY AND SUSTAINABILITY

SUSTAINABILITY ACTIVITIES AT THE BLASER GROUP

In 2015, the United Nations created 17 Sustainable Development Goals – global aims for a better future and a more sustainable approach to the resources available to us. They incorporate economic, ecological, and social aspects. These goals can only be achieved if the global community makes an effort together. This also means that politicians, businesspeople, scientists, and civil society are jointly responsible for the success of the 2030 Agenda.

The Blaser Group embraces this social responsibility and is consolidating existing concepts in different departments plus new contributions into one overall company concept. This development is outlined in the Sustainability Report. This also includes the commitment – which extends beyond the company's legal obligations – to making a contribution toward achieving the individual goals of the 2030 Agenda. In areas where the Blaser Group cannot currently make a contribution because of the type of business it conducts, checks will be made to verify this is still the case in future. The company

is therefore proactively taking responsibility for the future of the environment, society, and economic issues and developing and adapting wherever necessary. The Blaser Group considers this process to be a continuous improvement. In order to achieve the best possible result, all employees will be made aware of how they can be sustainable in their use of resources, possibly with the use of special campaigns. As such, the company is already fulfilling the requirements of the German Supply Chain Due Diligence Act, which is not yet in force.





No poverty/zero hunger

Responsible supply chain management helps to ensure that only the manufacturing facilities that offer their employees a decent income are part of the chain.

Good health/well-being

The health of employees should always be protected and improved. In order to reach the entire workforce with #BlaserCare, there are a wide range of attractive workplace health management measures in areas such as exercise, diet, and resilience that are offered throughout the year. This includes back muscle strength check-ups and cardio stress tests, plus consulting external specialists to check ergonomics in the workplace and optimize this wherever necessary.

The services the company offers are continuously developed by a health and safety officer and optimally adapted to the needs of the employees.

The health of our employees and partners is also a priority for us at events. In 2021, the Blaser Group was one of the first to shift toward online trade fairs in order to avoid the increased risk of catching COVID at in-person events.



"We will only overcome the challenges of our time if we work with our suppliers, who we see as partners and driving forces. In so doing, we want to go down resource-conserving routes, be it in joint development, when manufacturing the purchased parts or in their procurement, packaging or transportation."

Matthias Draxler, Director of Central Procurement and Logistics



"Corporate success is achieved together with employees. A sensible work-life balance together with relevant health services is therefore crucial for us."

Anke Tregner, Director of Human Resources



Quality education

In addition to the training required to do their job, the Blaser Group's employees also receive off-the-job training as required. This also applies to its international subsidiaries. In Bulgaria, there are plans for cooperations with technical colleges and business schools so that employees can complete dual studies. Willingness to do further training and taking an interest in new issues relating to our operations is always welcome and encouraged. The HR department acts as a service provider to employees here, offering tailored training programs either proactively or on request. Increasing the level of knowledge is just as important here as the positive support offered to employees. And it results in the development of needs-based cooperations, for example the "Certified Course for Technology, Management, Hunting, and Sport" by the University of Applied Sciences Neu-Ulm, which employees can enroll on.



Gender equality

Treating others with respect is part of the Blaser Group's corporate philosophy. It is therefore a requirement for all employees, worldwide. This also means that the Blaser Group treats all staff equally, regardless of nationality, ethnicity, age, gender identity, religion or other forms of diversity. On the contrary, differences are viewed as an asset, which can lead to new ideas and a stronger sense of community.

Operating in a traditionally male-dominated sector, the Blaser Group welcomes and encourages people across the gender spectrum to take an interest in professions in the metal industry. This includes, for example, gunmaker training as much as it does training to become a product designer specializing in product development and construction in Research & Development.



Clean water and sanitation

The Blaser Group believes conserving resources, including water, during production is part and parcel of a sustainable corporate policy.



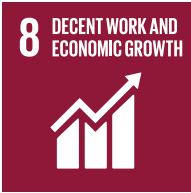
Affordable and clean energy

The Blaser Group is currently checking the feasibility of providing employees with electric charging stations for e-bikes and electric cars on company premises. In this regard, they are also checking to what extent it would be possible to convert the company's vehicle fleet to electric cars.



"We want to consume less energy in the long term. By conducting an energy audit, we have identified various potential aspects that can now be prioritized."

Bernd Windmann, Director of Operations at the Blaser Group



Decent work and economic growth

The Blaser Group provides its just under 1,000 employees with a safe and respectful working environment. Every single employee has his own go-to person who can advise him on work-life balance issues, further training, and other questions he may have. In annual appraisal interviews, not only is the employee's performance evaluated, but he is also specifically asked about his satisfaction and his individual development.

Last year, Blaser reorganized sales and production planning to make them more interconnected. This resulted in a more balanced workload, a reliable work schedule, and thus better work-life balance for employees.

For the Blaser Group, responsible supply chain management also means complying with environmental and social standards, not only at the Group's sites, but also on the suppliers' premises. In addition, suppliers sign a binding declaration of commitment that also calls for this.



"There are many new challenges, but they provide just as many opportunities at the same time. We are deliberately facing up to our responsibility toward the environment and nature. We are working more sustainably as a result and playing a proactive role in shaping the future."

Dr. Jens Uwe Drowatzky, CEO of the Blaser Group



Industry, innovation, and infrastructure

As an innovation leader in the hunting and outdoor industry, it goes without saying that the Blaser Group regularly invests in modernizing its sites. In 2020 alone, twelve new machines were purchased, of which nine were integrated into serial production. This not only created the prerequisites for a modern product portfolio, but it also increased the energy and resource efficiency.



"As an innovation leader in the hunting sector, the sensible use of raw materials is a given. This is why our barrel steels, for example, are open melted in a highly specialized production process in Germany and extracted using a suitable process flow, without the need for the otherwise standard, extremely high-energy remelting process."

Thomas Macher, Director of Development & Research



Reduced inequalities

The Blaser Group expects its suppliers to satisfy certain labor and social standards. This includes paying a living wage and ensuring working hours are compliant with the applicable laws and industry standards.



Sustainable cities and communities

The Blaser Group has an obligation toward its sites, particularly the one in Isny. Generations of employees strengthen the connection to the local area, as do the continuous investments in manufacturing. This has led to a partner-like interaction between the Blaser Group and the local community.



Responsible consumption and production

When it comes to production planning, the Blaser Group has been taking sustainability and the associated conservation of resources into consideration and continuously expanding on these concepts for a number of years. The first heat recovery system for air compressors was installed in Factory 4 in 2012. The second system followed six years ago, while the third system of this kind was ready to go into operation in February 2022. In another logical step, the lighting at the Blaser Group has been consistently converted to LEDs since 2021. The continuous modernization of the machinery has enabled the company to implement additional energy efficiency measures. In addition, the purchase of 3D printing technologies in 2021 also sped up the introduction of sustainable manufacturing methods.



"The German Supply Chain Due Diligence Act provides lots of opportunities that we harness at the Blaser Group so that we can press ahead with our sustainability goals with respect to our procurement where we demand fair working conditions for everyone involved. Business relationships therefore evolve into sustainable and long-term partnerships for the good of all."

Matthias Draxler, Director of Central Procurement and Logistics



Climate action

As a manufacturer of products that are almost exclusively used in the great outdoors, it is only logical that the Blaser Group takes responsibility for the environment and reflects on the measures it can adopt to reduce emissions. The first step the company therefore took was to calculate the greenhouse gas emissions produced by its activities at all sites – despite its state-of-the-art manufacturing methods and efficient use of resources. The Blaser Group's carbon footprint is around 3,092 tons of CO₂ equivalent emissions per year. For illustration purposes: The average German creates around 11 tons of CO₂ per year just by living their life.

The Blaser Group has taken direct action and purchased a total of 3,092 CO₂ certificates, thus offsetting carbon emissions for 2021. Its operations are therefore climate-neutral across all sites. This is an important component of the company's comprehensive sustainability strategy.



Life below water | Life on land

The Blaser Group is making its first attempts at converting packaging – from product packaging to reusable packaging used within the company – to renewable materials. It is also currently trialling the recycling of polystyrene merchandise packaging used for internal purposes.

It has also launched another pilot project focusing on hunting equipment: In collaboration with suppliers, parts of the bags and rucksacks are being reviewed to see whether any of it can be replaced with recycled material. Initial results have revealed that all nylon straps, belts, and Cordura finishes as well as parts of the interior can be substituted with material made of recycled PET bottles. The work here has only just begun.



Peace, justice, and strong institutions | Partnerships for the goals

The company being sustainably operated in the long term requires cooperation. Between the various departments and sites as well as between the Blaser Group and its stakeholders. Discussions are therefore being held in all departments so that resources are conserved as much as possible and in order to embed sustainable concepts in the various departments. Existing measures – such as recycling metal cuttings – are being expanded upon, in some cases with help from other stakeholders.

The brands within the Blaser Group are always aware that they are responsible for their products. As such, they are being careful in how they manage their manufacturing and implement their marketing and sales strategies. This requirement is also reiterated in compliance guidelines.

THE ENERGY CHECK

The Blaser Group's systems, buildings, and processes underwent an energy assessment as part of an energy audit. The results are positive: The Blaser Group is already in a good position in many areas, as a range of energy efficiency measures have already been implemented over the past few years. Examples include the use of process heat or the modernization of refrigeration technology. At the same time, other potential savings were identified, which will ensure energy consumption drops further over the next few years.

Potential saving: Compressed air

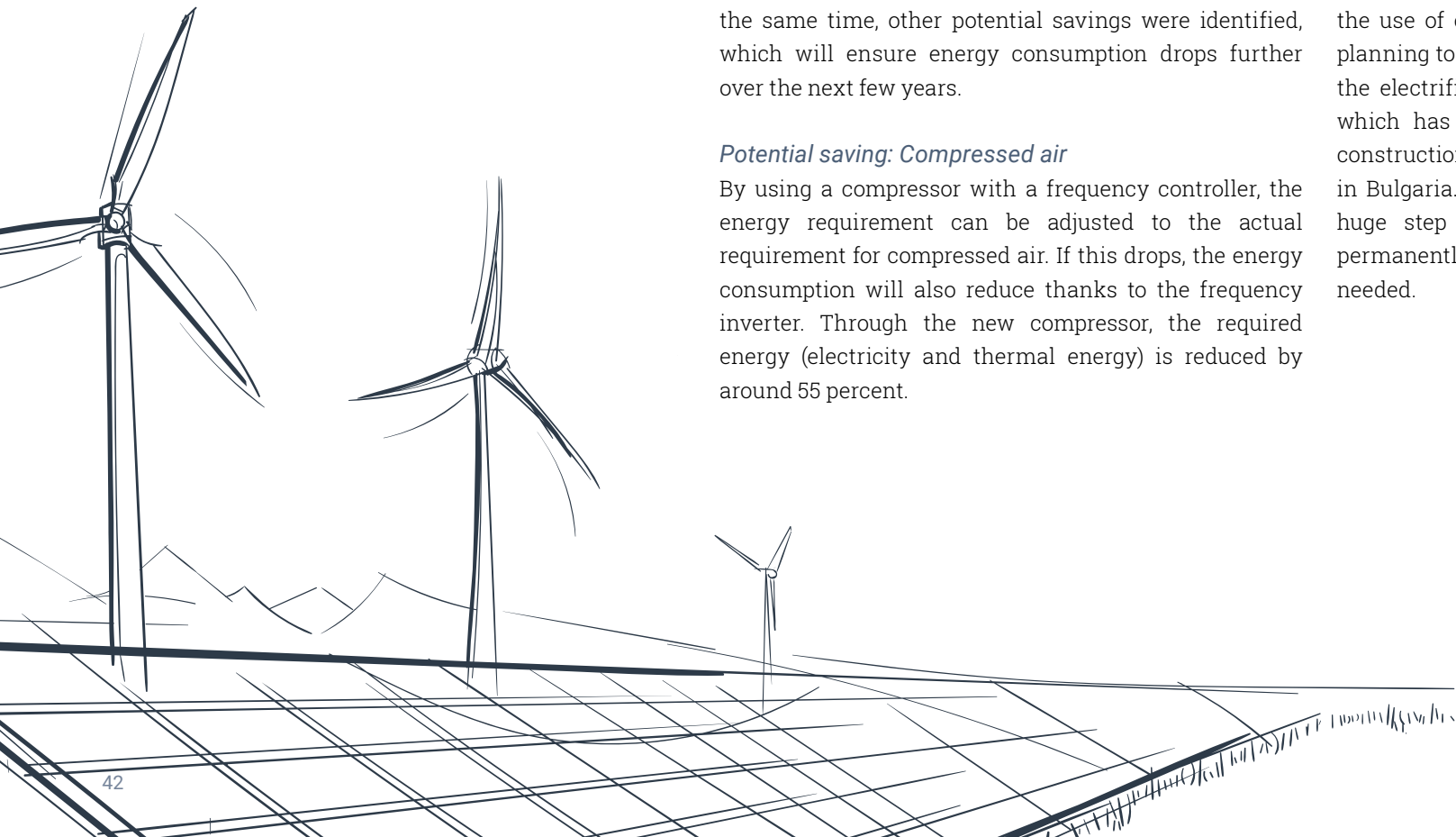
By using a compressor with a frequency controller, the energy requirement can be adjusted to the actual requirement for compressed air. If this drops, the energy consumption will also reduce thanks to the frequency inverter. Through the new compressor, the required energy (electricity and thermal energy) is reduced by around 55 percent.

Potential saving: Lighting

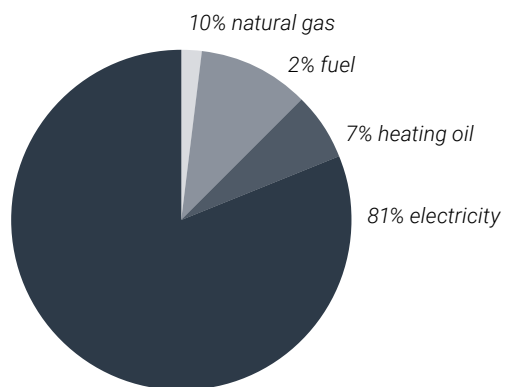
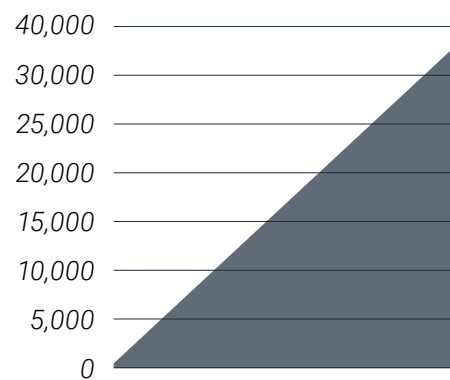
The aim to replace the lighting with energy-saving LED bulbs is continuing and is expected to be completed in 2022.

Potential saving: Solar energy

The use of the sun's power to generate energy can reduce the use of other electricity resources. We are therefore planning to install another solar power system as part of the electrification of the Ziegelstadel production site – which has already been decided – and the planned construction of a solar power system at the Grabovo site in Bulgaria. This will enable the Blaser Group to take a huge step closer to achieving its energy goals of permanently reducing the level of external electricity needed.



Consumption by energy source

Cumulated CO₂ saving in kg

CO₂ saved: 12,180 KWh/year
€ 2,314.20 per year saved in costs through
certain lighting modernization measures



Research alliance: The Karupelv Valley Project



The Karupelv Valley Project was set up in 1988. It is based in the world's largest national park on the northeast coast of Greenland, run by French research association Groupe de Recherches en Ecologie Arctique (GREA), and affiliated with the University of Freiburg, with Dr. Benoît Sittler at the helm.

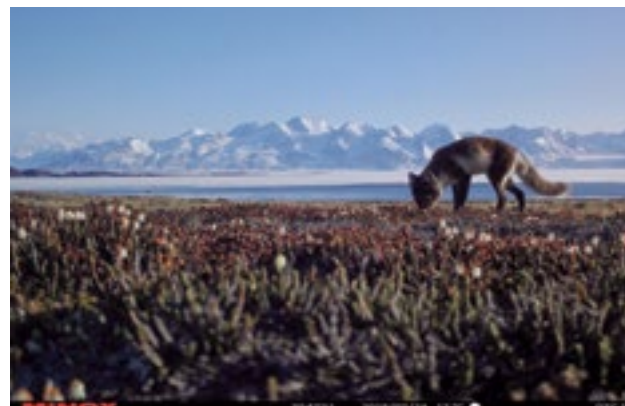
The aim of this long-term research project is to find the causes of lemming cycles – a phenomenon which is still very controversial in scientific communities. The causes of the population cycles of lemmings are still considered an important, unresolved ecological issue. In the approach chosen here, the scientists are attempting to record the population dynamics of the lemmings as well as that of the predators that depend on the lemmings. Since 1988, the dynamics of the lemming population have been

investigated annually based on the winter nests found in a 1500 ha area. The other predators, which mainly exert their influence in the snow-free summer, are recorded through evidence of breeding (snowy owls and skuas) or by checking their dens (polar foxes). MINOX provides the scientists with trail cameras and photo traps to collect the data. This is an important method for monitoring the nests of ground breeders and the behavior of the polar foxes and snowy owls. It also helps to better understand the impacts of climate change. The expedition team is only on site for a few weeks. Trail cameras offer them the chance to continue their observations throughout the rest of the year. This is an extreme test for the cameras. The lowest temperature at which a camera was still triggered was -27 °C. The ambient temperatures go much lower



than this from time to time, but it is unlikely an animal has sauntered past the camera in these conditions.

The observations made over the past ten years now indicate changes that are likely to be connected to climate change. The lack of spikes in the lemming population directly impacts the young of the predators that depend on the lemmings. For example, only one single breeding pair of snowy owls has been registered over the past ten years (compared to a total of around 50 breeding pairs for the 1988–1999 period). The reality of climate change – whose consequences for the ecosystem can only be documented through these kinds of long-term observations – is also the focus of the current stage of the project.





Legal compliance

The economic success of the Blaser Group is closely associated with the responsibility it takes in and toward society. Compliance with the applicable national and international laws and standards is a huge part of achieving this economic success. If the company were to have a poor reputation or be brought into disrepute because it broke the law, this could threaten its success as a business.

This is just one of the reasons why illegal and unethical behavior is not tolerated. Complying with current legislation and laws is the Blaser Group's top priority. This applies to all business conducted by management and by all employees of the Blaser Group and its subsidiaries. The company's business success must, under no circumstances, be above the law. The legal way in which this success is achieved is just as important as the success itself.

All employees are expected to use the Code of Conduct to learn about the values that apply and are put into practice at the Blaser Group. This document is a guide to day-to-

day business for all employees and is, wherever necessary, supplemented with detailed internal guidelines and a comprehensive compliance manual. Every single employee is required to put the values stated in the Code of Conduct into practice and act as a role model. They must apply these values when working with customers, suppliers, or other stakeholders on a daily basis. On that note, online training sessions are available to employees of the Blaser Group, with some being optional and some mandatory.

Open culture

In order to support and comply with the Code of Conduct, there is an appropriate structure consisting of:

- open communication with the request that employees contact the Compliance Officer, the HR department or management if they have any questions or notice any breaches,
- the option to send evidence via e-mail to compliance@blaser-group.com,
- an anonymous informant system with a mailbox for possible compliance and data protection issues.

The aim of this is to identify illegal and unethical behavior in good time and to prevent the company from being liable for potential damages. The only way to proactively foster an open culture, and thus act in the interests of the Blaser Group, is to openly address breaches.

If it is beyond doubt that the rules outlined in this Code of Conduct have been broken, sanctions will be introduced by the company and/or government agencies. This concerns measures pertaining to labor laws as well as any consequences under civil or criminal law.

Business ethics

The Blaser Group is resolutely against any form of corruption or corrupt business behavior and will take all the necessary action to detect and prevent money laundering within the company's sphere of influence. All Blaser Group employees are strictly forbidden from offering, promising or guaranteeing perks to decision-makers in the public sector (the authorities, for example), either in Germany or abroad, if it results in a positive attitude toward or decision in favor of the Blaser Group.

All Blaser Group employees are also strictly forbidden from allowing themselves to be promised or offered perks from any third parties and from accepting these perks if it could give the impression that employees may be influenced by this in their business-related decisions. Every employee is also forbidden from demanding a business partner gives them a personal perk for themselves or a third party. Conflicts of interest as a result of hiring family members and/or companies owned by family members must also be avoided.

When hiring third parties, objective criteria such as quality, price or reliability are what matter, not personal relationships or perks. When it comes to deciding which employees to hire, the Blaser Group is guided solely by objective criteria such as qualifications, skills or work performance, not by personal relationships or perks. The Blaser Group's Anti-Corruption and Money Laundering Guidelines are available on the intranet and also considered to be binding for all employees.

The Blaser Group also ensures, without limitation, that no arrangements are made with competitors that violate antitrust legislation, in particular regarding price or volumes as well as market segmentation and/or divisions of territory.



Imports/exports

The Blaser Group follows the applicable export inspection rules and embargo and customs regulations in force and has counter-terrorism measures in place.

As part of its international business operations, it strictly complies with all the relevant regulations, both when exporting and importing products and technology, particularly in relation to foreign trade legislation, customs law, and gun laws.

It constantly verifies whether sanctions and embargoes have been imposed and asks customers to undergo ongoing automated checks to ensure they are not on any current sanctions or terrorist lists. The Blaser Group abides by all applicable sanctions/embargoes and categorically refuses to do business with the affected countries and the people and companies on the lists.



Data protection

Data is a highly valuable business asset that must be protected at all costs, especially in the era of Industry 4.0. The Blaser Group is strict about its compliance with the current legal data protection regulations.

The correct handling of personal data is ensured at all times, both within the Blaser Group and when working with group companies and external service providers. The Data Protection Officer, Data Protection Coordinator, and management are available at all times for issues concerning data protection.

The Blaser Group's IT security also continuously ensures this through the use of encryption methods and the provision of secure connections. Employees are also regularly made aware of and trained on potential dangers, for example the damage caused by phishing emails.

Our success as a business is founded on protecting the Blaser Group's intellectual property and commercial secrets and on respecting our business partners' commercial secrets and the intellectual property owned by third parties. Every employee practices this and follows these rules.





The active protection of species

In various places across the world, rhinos are being poached for their horns. Blaser Safaris is constantly going to great lengths to protect the white rhinoceros from poachers and increase its population.

The rhino is one of the most critically endangered species in the world because its horn is in such high demand. It is illegal to sell or trade in rhino horns. Rhinos are listed in CITES Appendix I – a list of the world's most endangered animals – so owning a rhino or rhino products requires a special permit. The horn is also not allowed to be sold on to other parties.

Nevertheless, or perhaps for this reason, the illegal market for this is huge in Asia, where the horns on these gray giants fetch up to 160,000 USD per kilogram because of their supposed medicinal properties and because they are considered a status symbol. This is a powerful incentive for poachers to trespass on private game reserves or

national parks and to kill the rhinos for their valuable horns. As there is a lack of dissuasive penalties, the people who run these game reserves in Africa are left with nothing but their own initiative when it comes to protecting the rhinos from being hunted down.

For the people in charge at Blaser Safaris, regular night patrols of the grounds are a must. And although the people on patrol are as cautious as can be, the night tour is very dangerous. Some rangers have lost their lives fighting poachers in an effort to protect the rhinos. "This is another reason why the best way to protect the rhinos is surely to dehorn them," says Conway Volek, Manager of Sney Rivier Lodge. In this procedure, a vet sedates the rhino, cuts off its horn, and then smooths out any rough edges. "The rhino is not in pain here; it is similar to when we humans clip our nails," the professional hunter explains, "the horn then slowly regrows."

This intervention is paying off. Sney Rivier Lodge has been keeping white rhinos since 2008. The population has grown so much that the lodge has been able to send white rhinos to other game reserves. “We are trying to do our bit to protect and conserve this species of rhino,” the Lodge Manager explains. This attitude is not to be taken for granted, as keeping rhinos involves huge financial outlays: In addition to the continuous protection against poaching, the wild animals also need to be fed in times of drought. And despite all these protection measures, Sney Rivier Lodge has already lost a few rhinos to poachers. “Finding slain rhinos with their horns cut off always breaks our hearts,” says Conway Volek.

The third dehorning project for older rhinos was organized at Sney Rivier Lodge in 2021. Ahead of this, the team attempted to zone in on the wild animals’ whereabouts through the use of trail cameras so that the helicopters would find them more quickly. Nkombe Rhino offered additional support during last year’s initiative. The non-profit organization supports the rhino conservation measures in African national parks through donations. Dehorning is also an opportunity to tag the rhinos’ ears and insert a microchip so that they are easier to identify in future.

Elaborate search operation

But before they can do any of this, the wild animals need to be found. To do this, a helicopter flies along grid lines over a chosen area. If it finds a rhino, the pilot maneuvers the helicopter so that the vet can shoot the animal with a tranquilizer dart. As soon as the rhino is hit with the dart, the rest of the team are called for support. They need to ensure the rhino is laid down safely because it takes

around 15 minutes for the medication to take effect. During this time, the helper team on the ground need to ensure that the rhino is not in danger. But even once it is lying safely on the ground, they still need to take care of it and check its breathing. One of the ways they care for the animal is by dousing it in water over and over to ensure its body temperature remains low, even under sedation.



Scientific insights

Once the horns have been removed, the ears tagged, and the microchip inserted, DNA samples are then taken. These samples are entered into an international database for scientific purposes. It is only then that the vet injects the rhino with a stimulant to carefully wake it up again. The helpers remain on site so that they can help the rhino to stand up. "The management and protection of these defenseless 'prehistoric' animals is very elaborate and expensive," says Conway Volek, "but we want and need to focus all our efforts on their protection so that they are conserved for the generations to come." Blaser Safaris believes focusing on animal and nature conservation comes with the territory. The hunters make a vital contribution to protecting the gray giants here, as the revenue generated from hunting is also used to fund the rhino protection measures.



INFORMATION

The rhino has been living on Earth for more than a million years. Today's species are not that different to the woolly rhinoceros. There are five main breeds, and they currently live in Africa and Asia. Africa has two species of rhino: The white rhinoceros (*Ceratotherium simum*)

and the black rhinoceros (*Diceros bicornis*). Their horn is made of keratin, the same material found in human hair and nails. The horns therefore have no particular value, medicinal or otherwise.

How sustainable hunting can help nature and humanity

Hunting tourism in Africa and Asia



Since **Serengeti Shall Not Die**, the bestselling book written by Professor Bernhard Grzimek and published in German in 1959, people all over the world have been moved by Africa's animal kingdom. There is growing concern for its survival. The wildlife there is under threat due to habitat loss. This can be attributed to the continued strong growth in population and its need for agricultural areas, living spaces, and infrastructure. The secondary issue is the commercial poaching for bushmeat and trophies, such as ivory and rhino horns, to satisfy demand in Southeast Asia. Human-wildlife conflict now poses another potential threat. Elephants and lions, for example, are being shot or poisoned by small farmers and herders because these animals damaged their crops or as revenge for the loss of human life.

The Convention on Biological Diversity (CBD) stipulates that biological resources, including wild animals, need increased protection. National parks are a key tool in wildlife conservation. But they only protect a relatively small part of the wildlife stocks or are in a poor condition due to a lack of funding.



Guest article by Dr. Rolf D. Baldus, who has been working in practical wildlife conservation in Africa for 13 years.

The CBD has put conservation on the same level of importance as the sustainable use of natural resources. As far as wildlife is concerned, a key tool in this sustainable use is hunting, mainly in the form of hunting tourism. When it is controlled and properly managed, it generates a very high income with an extremely low extraction of wildlife. It does not require infrastructure and its ecological footprint is low. Throughout Africa, around 120,000 animals per year are taken from the wild in this way (by comparison, more than two million hoofed game are shot in Germany on a fraction of the land).

High-priced hunting tourism makes a huge contribution toward preserving the animal kingdom. The income from this mainly pays for maintaining game reserves, combating poaching, and is also very beneficial to the poorest members of the population in regions where game live. It counterbalances the loss of crops, livestock, and human life caused by dangerous game animals and gives the local people a material incentive to conserve the wildlife rather than exterminate it.

Many people in Europe cannot instantly reconcile hunting endangered or rare animals with the fact that this

contributes toward the animals' conservation. This is precisely why CITES, the treaty signed in Washington to protect endangered animals, allows the export and import of hunting trophies of species under threat, as long as this contributes to their conservation. As a result of this, the markhor – a large Capra species in Pakistan – has grown in population from 500 to more than 5,000. Once a year, a few old goats are hunted by paying guests. The money from the expensive shooting licenses benefits the local villages. The same set-up applies to hunting markhor in Tajikistan. Bottom line: No wild animals have been legally hunted into extinction over the past few decades, nor are they currently endangered due to legal hunts. It is actually true to say the opposite. This kind of hunting has helped to conserve nature and wildlife across millions of hectares of land in Africa and elsewhere. These regions are larger than all national parks put together. Without hunting, wild animals would lose them. This is why sustainable hunting tourism is in total conformance with the CBD convention. The International Union for Conservation of Nature (IUCN) also makes it clear that so-called trophy hunting leads to the protection of many species that are being hunted and there is no alternative to this. Because the income earned through hunting goes toward preserving the habitats of game animals, reducing poaching, and increasing the tolerance of the human population toward the dangerous wild animals, which also often cause damage. So not only is this type of hunting sustainable, but it also leads to the protection and growth of the game population.

Other forms of eco-tourism, including photo safaris, supplement this revenue but have been proven to be an inadequate replacement for sustainable, regulated



hunting systems. The latter is predominantly used in areas that are either unsuitable or comparatively less suitable for photo tourism due to a lack of infrastructure, the low density of wildlife in their natural habitat or the scenery not being particularly attractive.

From a biological perspective, the demand for total protection across the board cannot be scientifically justified. Economically speaking, it is also not feasible. Quite the opposite. The least developed countries can only afford to ban the use of available natural resources in justified exceptional cases. If game has no value, it will lose ground to corn fields and cows outside of national parks. The ethical at best, but mostly ideological, justifications for anti-use campaigns therefore hamper their alleged aim of conserving wildlife stocks. The IUCN also stresses this point. It is also no coincidence that

these campaigns are started by people and groups in rich, developed countries who are not even affected by this and do not have to be held responsible for the consequences of their demands. If you live in a major city in Germany, for example, it is easy for you to advocate for the total conservation of elephants and lions. Your fields are not being trampled, nor are your livestock being eaten.

The many organizations who have been combating hunting tourism for years with campaigns across their global networks earn several hundred million euros from this for themselves. The majority of this money does not go to nature conservation in Africa and Asia. Global campaigns against trophy hunting have now become a profit-making business model – but at the expense of nature and the people who live with the wild animals.

3

PRODUCTS AND SUPPLY CHAIN



Supplier management

The aspiration toward constantly improving the technology behind products and making everything more sustainable also has an impact on supplier management. Responsible for ensuring that all domestic and international production sites and subsidiaries are supplied with the best goods on time, the Procurement department is tasked with managing demand from all Blaser Group companies. The aim is to establish a long-term partnership with suppliers who focus on absolute reliability, proactive communication, and quality and cost awareness, and who strive for continuous improvement.

The main emphasis during the procurement process is on milled parts; complex turned/milled parts; metal injection molding parts; plastic parts; stamped, drawn, and formed parts; laminated and burl wood; C-parts; and contract manufacturer services. Although this may change based on business development. But the high standards that the Blaser Group holds itself and its partners to remain the same. They are defined in the Quality Assurance Agreement (QAA) and regulate all the envisaged responsibilities between the Blaser Group and

its suppliers, technical and organizational framework conditions, and other requirements that are needed in order to achieve the intended quality goals and comply with the statutory provisions.

Committed to quality management

In the Quality Assurance Agreement, the supplier undertakes to always use and maintain a quality management system – at the very least in accordance with the DIN EN ISO 9001 standard – that fulfills all the requirements and provisions stated in the latest version of the standard. To verify that this is the case, the Blaser Group can audit the quality management system, processes, and products at the supplier's facilities. If required, these kinds of audits can certainly also be extended to suppliers further down the chain. If such a subcontractor requires an audit, it will be completed by the supplier. However, in this case, the Blaser Group reserves the right to attend these audits as an observer. The supplier and the Group are obligated to adopt further compliance principles beyond that which is required by law.



Export compliance

Compliance with the export and import regulations relevant within the framework of the supplier agreement or other applicable regulatory restrictions or restrictions under customs law. If permissions or other regulatory measures are required, these will be obtained.

Other compliance principles

The Blaser Group's suppliers are also obligated to, at the very least, abide by the local laws in relation to labor standards, including working hours and pay, and by the criteria listed below:

- All employees must be at least 16 years of age (or older).
- The supplier must not use forced labor or bonded labor.
- Employees must be provided with safe working and living conditions (if applicable).
- The employees' freedom of assembly must be respected.
- All forms of discrimination must be avoided.

The Blaser Group also expects suppliers to ensure that their own suppliers also comply with these standards. As a consequence, the Blaser Group's suppliers agree to commission Blaser Group audits of their recommended working practices at their production sites. These audits will be conducted by an independent third party.

Occupational health and safety, environmental protection, and responsibility are important to the Blaser Group.

It therefore requires its suppliers to not place corporate transactions above the Blaser Group's responsibility toward the environment, people, and customers and to minimize any risks that arise at all times. This will prevent workplace accidents and keep the emissions generated in the supply chain within the limits stated in the statutory provisions. Suppliers are also encouraged to continuously optimize their products with regard to environmental friendliness and any resources that could be conserved. This means always working in conformance with the valid provisions and standards under labor and environmental laws. The supplied products comply with the applicable EHS provisions. The Blaser Group's suppliers use their expertise to improve environmental protection and occupational health and safety at all times. In particular, they adhere to compliance rules such as REACH, the systematic regulations for the Registration, Evaluation, Authorisation and Restriction of Chemicals. It restricts the use of certain dangerous substances in electrical and electronic devices. To comply with these rules, manufacturers and importers need to prove that the substances used, mixtures produced, and the finished products will not damage the health of downstream users, consumers, or the environment. The chemical data required for this must be passed on to all purchasers and downstream users. This regulation has been in force since June 1, 2007.

Occupational health and safety & environmental protection

Independent of these guidelines, national and international standards on conveying information on occupational health and safety and environmental protection must be observed, for example the EC safety data sheet as per Commission Directive 91/155/EEC. If changes are made to components or to legal provisions, an updated version must be produced. The Blaser Group's suppliers' compliance with these requirements forms the basis for the safe and environmentally friendly use of their components in the Blaser Group's products. The Blaser Group must be immediately informed of any changes in composition. The Blaser Group works with suppliers to develop solutions here so that chemicals that will be banned in future, for example chromium 6, can be replaced with eco-friendlier substances.

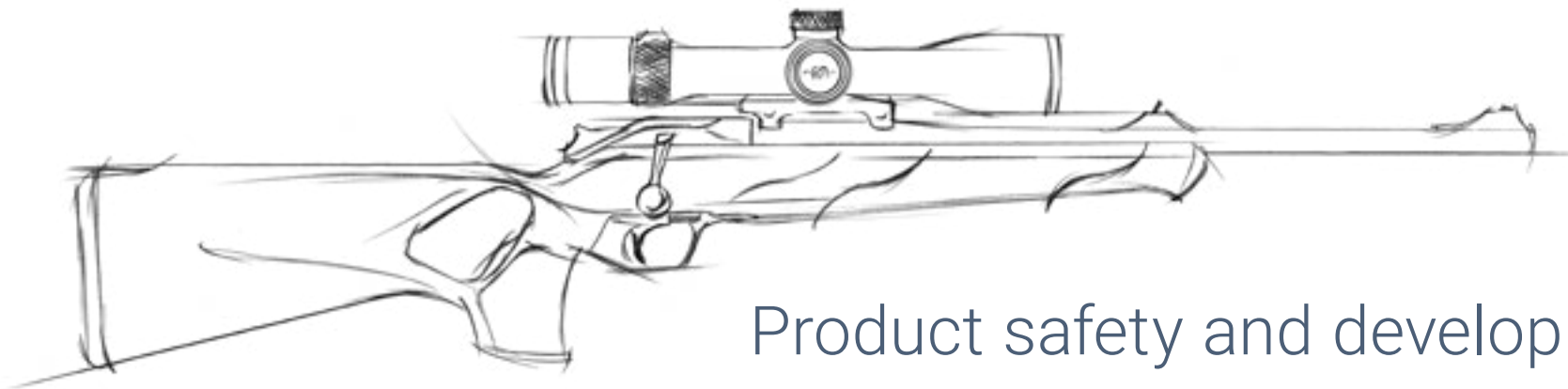
Sustainable through digitalization

If you reduce your consumption of resources, this is considered sustainable because the use of energy and raw materials drops automatically as a result. In procurement, one of the ways in which this aim is achieved is through the digitalization of the ordering process. In a first step, the purchase requisitions, which had been printed on paper until this point, were converted to electronic purchase requisitions (eBANF). At the same time, the entire ordering process was optimized, as everyone involved now had digital access to the purchase requisition – and its progress. This conversion meant

that, in procurement, the purchase requisitions that needed to be signed were almost completely eliminated, creating an almost completely paperless ordering process. In figures: The need for paper was slashed by 95 percent.

The Blaser Group is continuing to make processes digital in the interests of sustainable and efficient procurement management. By making more of the communication electronic, the workflow will be even clearer in future. Purchase requisitions no longer need to be printed out as most of the documentation and filing is now solely done digitally. In addition to the minimized consumption of paper, potential savings can be made in mail handling and the significantly lower transportation costs for documents that would previously have been sent via mail.





Product safety and development

Product safety is playing an increased role in terms of development and manufacturing at the Blaser Group. This responsibility is an integral part of the identity of every manager and every employee, and it pertains to developing new products, manufacturing, and handling finished products, or when product liability claims are made. The most important provisions here are the German Product Liability Act (ProdHaftG); the German Product Safety Act (ProdSG); the German Electrical and Electronic Equipment Act (ElektroG); Regulation (EC) No. 1907/2006 (REACH), and the EU Directive 2011/65/EU (RoHS).

Firearms and their accessories are always manufactured and marketed in compliance with the relevant product safety provisions. This is done in harmony with the Blaser Group's "Product Safety/Product Liability" directive, which contains a description on electrical devices and the special provisions that apply here, such as the obligations to register and report. If product liability claims are made, the directive also sets out the measures to be taken. In

extreme cases, this may even lead to the obligation to recall products already on the market.

It is important to the Blaser Group that potential reasons to file a liability claim are fully rectified – usually with the help of external assessors, for example experts from the German Experimental and Test Institute for Hunting and Sporting Firearms (DEVA). Whether or not the damage has already occurred is not the crucial factor here. To a greater degree, the Blaser Group sees this responsibility as a preventative measure, as was the case with the voluntary recall in 2020. At that time, there was a possibility that the ISD integral silencer could develop corrosion if not stored in optimum conditions. This possibility could not be 100% ruled out, so the company logically recalled all ISD integral silencers as a precaution, replacing them with a technically upgraded silencer free of charge. The Blaser Group makes no compromises when it comes to safety.

Product safety begins in the development stages. As such, the Blaser Group has defined and documented an

appropriate product engineering process (PEP). When designing and implementing new product ideas, the process-based workflow as well as the construction and development guidelines must be followed. The aspects these guidelines regulate include the choice of materials, the necessary contents of a drawing, the risk assessment, and the application of documentation requirements, material descriptions, and technical product requirements in accordance with precisely defined standards. By implementing the construction and development guidelines and following the PEP, the Research & Development department meets the legal requirements for products for the purpose of product liability.

There is also a precisely defined process, with appropriate duties of documentation, if components in a product are changed, either during the development phase or at a later point in the series. The change history compiled as part of the construction and development guidelines ensures that changes are suitably assessed and can be completely tracked.

Essential components of guns

The Essential Components of Guns Committee is a group of experts who review, optimize, check, and process all issues with firearms, essential components of guns or gun-like items that arise under gun laws.

Within the company, the committee takes overall process responsibility for all issues and processes relating to firearms, essential components of guns or gun-like items. The committee is particularly responsible for the following tasks:

- Being the main point of contact for all questions from the departments relating to essential components of guns,
- Checking and monitoring the delegation of tasks in job descriptions in conjunction with essential components of guns,
- Processing and checking loss deductions for essential components of guns,
- Reviewing, optimizing, and checking that the company's safety concept is being followed,
- Supporting management in all issues or decisions relating to national and international gun laws,
- Reviewing and optimizing processes as well as operating and procedural instructions under gun laws. Devising recommendations for action relating to gun laws for the people managing the processes.

As a general rule, only employees with the correct approvals are permitted to handle weapons, essential components of guns, and ammunition.



Natural works of art – the beauty of wood



Hunters have always appreciated the valuable material that is wood. Using wood for a hunting rifle's stock creates a connection to nature as well as one of a kind, as no two trees are ever the same. Every stock is therefore unique.

The greatest care always goes into selecting the wood. Wood behaves like a fine wine: The older, the better. Some of the walnut trees stand in the forests of Anatolia for several hundred years. During this long lifetime, the wood develops a unique look, which really comes into its own when it is later used.

Fall is the harvest period in the Caucasus Mountains. The trees have gone dormant, and experienced experts search the warped walnut trees for any that might feature a particularly large burl. All trees are sold as seen. It takes years to be able to assess the quality of a burl based on the condition of the tree's bark or its growth – and any misjudgments can be costly. Buyers are allowed to drill

one single hole to confirm their visual appraisal of the tree. They only find out if they were right once it is cut open with a band saw. The Blaser Group has been working with some of these experienced wood experts for many years.

Wood for up to 40 stocks can be acquired from one cubic meter of wood. However, they do not all have the same quality and are therefore used for different models or purposes. Not utilizing every single piece of the valuable material that is wood is not an option. This explains why there are eleven wood grades for the stocks made by the Blaser Group. By contrast, it is standard on the market to have just five quality levels. The higher the quality, the lower the yield. On average, just 0.2 percent of a cubic meter of burl meets the standards for grade 11.

From the very beginning, the company is mindful about using the resource of wood sustainably. For example,

blocks are cut in such a way that creates as little waste as possible. Before they have even dried, each one is given a sticker with a QR code on which all the specifications are stored. This enables the Group to track the block of wood's evolution, from its place of origin right through to its delivery to the customer. It is subsequently carefully dried in order to avoid as much waste as possible during this process. Another benefit of careful drying and storage: The stock will have just the right amount of elasticity to absorb and cushion many thousands of shots.

Once the customer has chosen a specific stock, the workpiece is made into an expression of its future owner's individual personality. The customer can decide to have a lighter or a darker piece, a piece with a strong grain or more of a cloudy finish. It is milled, sanded, oiled or carved with fish scale checkering. The wood is carved by hand using a specialized tool. This process involves a lot of intuition. Shaving by shaving, millimeter by millimeter. To create a relief consisting of delicate fish scale checkering, every single scale being the same size. To perfect and

complete the hunting rifle, the matching forearm needs to be found for the stock. Not an easy undertaking! On average, 50 forearms need to be viewed, held, and compared to the stock before a suitable counterpart is found.

The combination of the stock with high-precision barrels and matte-black receivers that are either engraved or coated with rare materials results in a unique work of art that will often accompany hunters for the rest of their lives.



Traceability

The Blaser Group requests a declaration specifying the origin and the type of wood from all its suppliers. If there are any errors, the Blaser Group must be immediately informed of this separately. When purchasing, every single block of wood is inspected at the supplier's site and then viewed again at the Blaser Group's site in Bulgaria.

It is the importer's responsibility to prove the origin by presenting a phytosanitary certificate to customs for every shipment. This documents the type of wood and confirms the prerequisites for exporting and placing on the market have been fulfilled. Wood from forests inhabited by species categorized as threatened or endangered according to CITES is prohibited.



Research and development

The Blaser Group's brands have a long tradition of being passionate about hunting and enthusiastic about technology. It has never been a matter of developing innovations for innovation's sake but about translating customer needs into new products. After all, this is the

only way to create innovations that offer hunters genuine benefits and allow them to fully concentrate on hunting. This approach is also an important prerequisite for becoming a technological leader – and maintaining this status.

Over the past few years, the site in Isny has evolved into a Center of Excellence for hunting rifle technology and equipment. The high level of innovation can also be seen in the number of registered patents. Overall, the Blaser Group owns more than 63 basic patents plus 162 foreign patents relating to everything from individual components, such as a totally redeveloped bolt assembly, right through to a complete hunting rifle. The development team works closely with experts from manufacturing, sales, and distribution to find the best solutions that also take into consideration overarching aspects such as sustainability. This also leads to products that have been designed to be used together, thus offering customers the perfect solution.

Using alternative materials

Detailed construction and development guidelines not only result in a stringent procedure, but also allow for the use of certain standard materials and finishes. At the same time, the use of so-called "green plastics", i.e. sustainably produced plastics, has been expedited for a while now. Because of the specific requirements of the Blaser Group's products and their usage, the potential large-scale use of alternative materials must be developed and validated in the most careful and accurate way. This often requires a long-term approach so that the customers' quality standards can continue to be met. Work is already underway on a potential substitute for chromium 6, for example, which must be replaced by another material in surface treatment by 2024.



Collaborating with higher education institutions

Exchanging ideas with the scientific community is both inspiring and efficient. Cooperations with higher education institutions are therefore a well-established tradition for the Blaser Group's brands. Through these cooperations a scientific review of the 3D printing system was performed last year, and a construction task for 2022 has been allocated. The means of a peer review validate the results that have already been achieved or create the foundations for further development, for example the development of high-strength materials for the most heavily loaded components or the optimization of finishes through metallurgical testing. Always with the aim of increasing the product's longevity and guaranteeing its safe usage.

Regranulation

When it comes to plastics for manufacturing hunting rifles, the technical requirements are high. Take magazines and stocks, for example – they have to be weatherproof, breakproof, and low-warpage. The Blaser Group invests in producing and testing various components made of recycled plastics and in certified raw materials with a reduced ecological footprint so that it does not have to lose the desired properties when converting to more sustainable plastics.

The use of recycled plastics, a.k.a. regranulate, also reduces the ecological footprint during the manufacturing process: Components and sprues that end up as waste during the manufacturing process are crushed and added to the new granulate. As an experimental study, a stock was made out of regranulate for last year's "One With Nature" World of Hunting and Nature Exhibition in Budapest.



Blaser Outfits

The Blaser Group's innovative strength can be seen in all its business units. As such, last year Blaser Outfits introduced a revolutionary clothing range: HunTec. It was designed in Germany by an in-house team. The result is a collection precisely tailored to the hunters' standard movements. The cut is so innovative that a patent has been filed for it. Such an innovative clothing range is manufactured in Asia out of necessity. In light of the provisions set out in the German Supply Chain Due Diligence Act, the Blaser Outfits team requires a compulsory self-declaration from its partners and suppliers with a focus on social and ecological conditions.

Working conditions

The supplier ensures that the ILO Conventions, which were ratified by its country, are adhered to when it manufactures the goods. This applies in particular to the conventions that are available on the International Labour Organization's website in their latest version and in several languages at www.ilo.org. Compliance with this obligation is extremely important to Blaser Outfits.

Blaser Outfits expects that:

- employees work for the supplier of their own volition,
- there are equal opportunities,
- no child labor is used,
- employees have freedom of association and the right of collective bargaining,
- a living wage is paid,
- the working hours comply with current laws and industry standards,
- the working conditions are humane,

- sufficient occupational health and safety policies are in place, and
- legally binding employment contracts are in place.

The use of hazardous substances

Blaser Outfits reserves the right to additionally monitor compliance with the quality requirements during production by sending its own staff to the supplier's production plants and/or by using external service providers. The responsibility for the stipulated product quality remains the supplier's. At the very least, the goods must satisfy the provisions applicable in the Federal Republic of Germany and be in keeping with the industry's standard practices.

The produced goods must comply with the current ban and restriction of poisonous substances, as defined in Annex XVII of Regulation (EC) No. 1907/2006. This information can be downloaded from the following website:

<https://echa.europa.eu/substances-restricted-under-reach>. This is an important element of this agreement. If the product is made up of numerous parts, it applies to each and every component.

In addition, when manufacturing the supplied goods, the only textile auxiliaries/dyes that are allowed to be used are ones that are within the limits of the version of the Manufacturing Restricted Substances List (MRSL) and the Zero Discharge of Hazardous Chemicals Program (ZDHC) that are valid at the time of delivery. Further information can be found at: https://www.roadmaptozero.com/mrsl_online/.

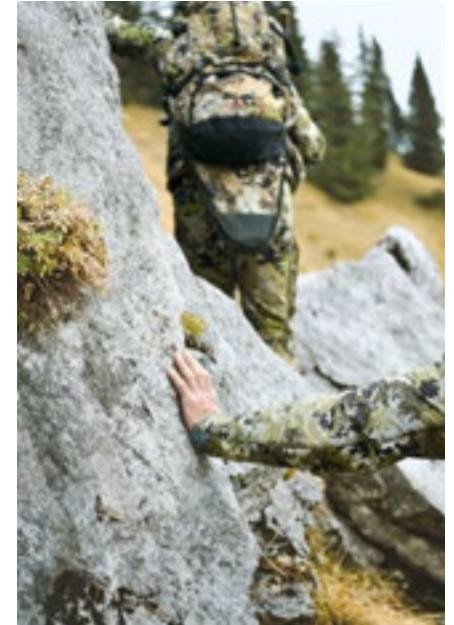
The use of azo dyes and pigments is not permitted for any dying processes throughout the supply chain. Blaser Outfits reserves the right to test compliance by having spot checks performed by an independent testing laboratory.

Animal welfare

As a manufacturer of clothing for hunters, animal welfare is particularly important to Blaser Outfits. It therefore does not use goose or duck down if the animal has been force-fed or the feathers plucked from a living animal. The origin of the down must be confirmed by official certificates and fully comply with the Responsible Down Standard (RDS, see also <http://responsibledown.org/>).

The use of wool from farmers who practice mulesing is forbidden. This conventional method involves removing strips of wool-bearing skin from around the buttocks of a sheep to prevent the parasitic infection flystrike. This is often done without anesthesia and by untrained people. Cotton from Uzbekistan is also forbidden because the use of forced and child labor is standard for harvesting the material in that country. This violates the Blaser Group's company ethics and the Code of Working Conditions it has put in place. Fur can only be delivered with internationally recognized sustainability certificates. For leather, Blaser Outfits requires a certificate of origin.

These measures aim to protect people, animals, and the environment and are continuously updated to ensure that Blaser Outfits clothing is manufactured using eco-friendly and sustainable methods.



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EMPLOYEES



Working together to achieve greatness

A company's success is down to the dedication of its employees. Finding employees who actively participate every day, out of a sense of conviction, with the aim of achieving our common objectives is therefore important to the Blaser Group.

The Blaser Group's HR managers therefore see themselves as service providers for their colleagues and as sparring partners for management. They are always on hand with help and advice and do all they can to help employees with their concerns, in day-to-day operations and in matters concerning long-term work-life balance. As the link between all the departments in the company, it is important to them that all employees feel at ease and are happy to reach out to them. After all, only those who speak can be heard. And only the people who are heard get support.

The Blaser Group's achievements

- Flexible working hours
- Discounted lunch
- Ergonomic workstations in Manufacturing and Admin
- Communal breakfast for all employees once a month
- Bike leasing
- Company pension scheme subsidy
- Regular offers of training and further education

- Employee discount on Blaser Group products
- Workplace health management
- Work-life balance through adapted working time models.

Challenges and encouragement

Challenging and encouraging employees is extremely important to the Blaser Group. The company therefore promotes open communication as and when required and at annual structured appraisal interviews.

These interviews include a discussion about professional and personal aspects, employee satisfaction, structured mutual feedback, a mutual agreement on goals, a nuanced performance appraisal, and individual development measures. In general, the Blaser Group operates based on a respectful culture of feedback and discussion as well as transparent communication throughout the company.

Seminars and training are regularly held for employees. There is annual mandatory training for occupational safety, health, and fire safety as well as on how to handle essential components of guns. Technical training and seminars are also organized, for example on lean management, Microsoft Office applications, REFA methodology or sales. To improve key skills, there is also

training on team development, management, foreign languages, and communication.

To gain an overview of the employees' skills, a database has been created. It shows the user, at first glance, who can work in which jobs without any issues and who would need additional training. So when a colleague is absent and there does not seem to be a stand-in on the fly, the qualifications matrix shows who has the required expertise and skills. This gives employees the opportunity to use their skills flexibly day in, day out and to continuously develop them. This learning-on-the-job approach can reveal potential in individuals and ensure that the skills and capabilities of all employees are pieced together in the best way possible, just like a puzzle.

Employees will receive monetary support if they take on work-related further training over several years alongside their job, for example in the form of study or a master craftsman program. There is a good reason for this: Personal development is very important – ideally, future management should be hired from within the company. The employees' abilities and dedication are crucial success factors for the future, and the Blaser Group wants the appreciation of its employees' performance to be more firmly rooted in its corporate philosophy in future.

Training and education at the Blaser Group

If the Blaser Group wants a sustainable HR management, it needs to offer training to its junior staff. In addition to traditional training in the professions of industrial mechanic, metal cutting mechanic, technical product designer, or industrial business management assistant, we also offer young people dual study programs in business studies, industrial engineering, and mechanical engineering.

The technical professions are taught in our in-house training workshop so that these skills can be applied in the factories during the second year of study. Throughout this program, apprentices gain an extensive insight into all relevant business processes. Business management training involves working in various departments throughout the company. Students on the dual study program also gain work experience in the various departments within the company.

Once they have successfully completed their training or dual studies, the Blaser Group offers the graduate interesting and diverse development opportunities within the company, including employment at an international subsidiary.

#BlaserCare – a health booster

The Blaser Group has a well-established “workplace health management” scheme to promote employees’ physical and mental well-being. In addition to “stop smoking services” and a variety of exercise options such as running groups, Nordic walking, yoga, and cross-country skiing, employees can also get subsidized fitness training at Gesundheitswelt Überruh. A physical therapist also visits the company once a month to help employees experiencing relevant health problems through workplace ergonomics.

Employees can also make use of extended health care services. For example, in October all female employees were invited to have a breast ultrasound scan at an affiliated medical practice. Skin and bowel cancer screening is also available to all employees. They can also get vaccinated via the company, either against seasonal influenza or the coronavirus. The Blaser Group also hosts an annual blood drive.

In the cold season, the Group also provides baskets of free apples for employees. After all, “An apple a day keeps the doctor away”.

As an employer, the Blaser Group offered e-bikes and bicycles as part of a bike leasing model back in 2019. This allowed the company to set a very clear signal, and it achieved many positive effects for the company and for employees. Not only is switching to cycling kind on the environment, but it also has a positive impact on employees’ health and efficiency because doing sports activities relieves stress. This is good for mental health and emotional well-being, thus ensuring the employees have more motivation and improve their performance at work. Bike leasing is therefore a key aspect of workplace health management.

#BlaserCare – taking responsibility



The Blaser Group's major vaccination drive to protect people against COVID-19 was held on June 15 and July 28, 2021. Many employees happily took the company up on the offer.

The Blaser Group had decided to become a vaccination site early on, so it made the corresponding efforts to obtain a sufficient amount of the vaccine. At that time, this was not at all straightforward, as vaccines were only available in very limited quantities. To the delight of the team organizing the vaccination scheme, every employee who signed up was able to be vaccinated with their vaccine of choice. Every person who booked also received their second appointment there and then, as second doses were also administered by the Blaser Group – between late July and early August last year. The confirmation had already been obtained by this time that the company would receive enough vaccines for dose number two.

The Blaser vaccination center

The HR department wasted no time in converting the shooting simulator into a vaccination center so that employees could be vaccinated at work. After checking in at the entrance, each employee who wanted to be vaccinated was screened by the company physician running the vaccination program. The dose was then administered in a private cubicle. The training room became a waiting room for before and after the vaccination. Each vaccinated employee was given refreshments in the form of a buttered pretzel and a choice of drink – this went down really well.

In this concerted vaccination effort and with subsequent vaccinations, over 200 employees were offered protection against the coronavirus. And most received it in time for their summer vacation, which gave them peace of mind on their travels.

Booster vaccinations in 2022

Vaccinations are still being offered because a third dose is said to give up to 10 times the protection. The coronavirus vaccination is part of the Blaser Group's #BlaserCare service, which also offers regular flu shots. We do this because we have a responsibility toward every single employee, as well as all our employees as a whole.





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Why publish a Sustainability Report?

The Blaser Group has compiled this Sustainability Report, which will be published on a regular basis, for its customers, partners, employees, investors, and interested representatives from the spheres of business, science, politics, and society. The latter most notably includes the people who live in the vicinity of the Blaser Group's sites. The report provides information on measures the Group has already taken and on how the principle of sustainable management is being permanently anchored throughout the entire organization, across all sites. Compliance with legal obligations is a matter of course for the company.

But this goes beyond that. By creating suitable structures and ways to measure sustainability, it is the Blaser Group's strong will that sustainable processes become a formal and permanent part of its corporate DNA. We are guided by existing standards for sustainability communication and adopt these methods in a meaningful way, i.e. tailored to the Blaser Group's circumstances. All the relevant departments were involved in the creation of this Sustainability Report. This report has been approved by management.

