

2025



**SAKO**  
SINCE 1921

# SUSTAINABILITY REPORT

# TABLE OF CONTENTS

<b>SAKO</b>	<b>3</b>	<b>OUR SUSTAINABILITY</b>	<b>11</b>	<b>WHAT'S NEXT?</b>	<b>47</b>
GENERAL MANAGER'S REVIEW	3	VISION AND STRATEGY FOR SUSTAINABILITY	11	OUTLOOK AND GOALS FOR THE FUTURE	47
SAKO IN BRIEF	4	RECOGNIZING RELEVANT SUSTAINABILITY THEMES	16		
Our history, spanning over a century	5	ENVIRONMENTAL SUSTAINABILITY	18		
Key figures	6	Mitigation and adaptation to climate change	21		
Manufacturing sites, key markets and importers	7	Resource efficiency and circular economy	23		
Governance	8	SOCIAL SUSTAINABILITY	27		
We are part of the Beretta Holding Group	9	Well-being and safety in the workplace	29		
		Expertise development	36		
		Leadership development	37		
		Product safety and quality	38		
		Corporate citizenship and collaboration with authorities	40		
		GOOD GOVERNANCE	42		
		Our values	44		
		Ethical operating principles and legal compliance	46		

# GENERAL MANAGER'S REVIEW



## Welcome to Sako's ESG journey!

Over the past few years, we have systematically strengthened the sustainability of our business and our readiness to align with standardized practices. In this first public sustainability report, you can read about where we stand on our endless journey of improvement in 2025.

Over the past few years, we have systematically strengthened the sustainability of our business and our readiness to align with standardized practices. In this first public sustainability report, you can read about where we stand on our endless journey of improvement in 2025.

As reporting obligations evolved and took unexpected turns, it became increasingly clear to us that we are doing sustainability work first and foremost for ourselves - not just to meet external requirements. At Sako, our quality expectations are high. We see sustainability as an integral part of modern business, and we firmly uphold our quality standards, including their continuous development. Our goal is to be a good workplace and employer, and sustainability work is a key part of delivering on that promise as well.

For Sako, 2025 was a successful year by many measures. While the main themes of our sustainability work over the previous two years were clarifying the big picture, improving data collection, and launching development projects, in 2025 we actively put these efforts into practice and advanced on multiple fronts. At the same time, as global turbulence intensified, our significance grew alongside it as did our financial results. Despite this, we remained committed to our planned development projects throughout the busy year.

We now have a carefully considered foundation and clear roadmap in place. Moving forward, our work will focus on continuous improvement in our daily operations. The unstable global situation requires us to stay vigilant, assess risks, and engage in close dialogue with authorities. In addition to strict export regulations, we have our own criteria for the markets we serve.

I want to extend my heartfelt thanks to our staff, customers, partners, and all our stakeholders for joining us on this journey in 2025. We took many significant steps forward and achieved and even surpassed our goals. Reporting is a great way to make our progress visible and remind ourselves of the work we've done — while also motivating us to achieve even better results in the coming year!

**Riihimäki, 15 April 2026**

**Juha Alhonoja**

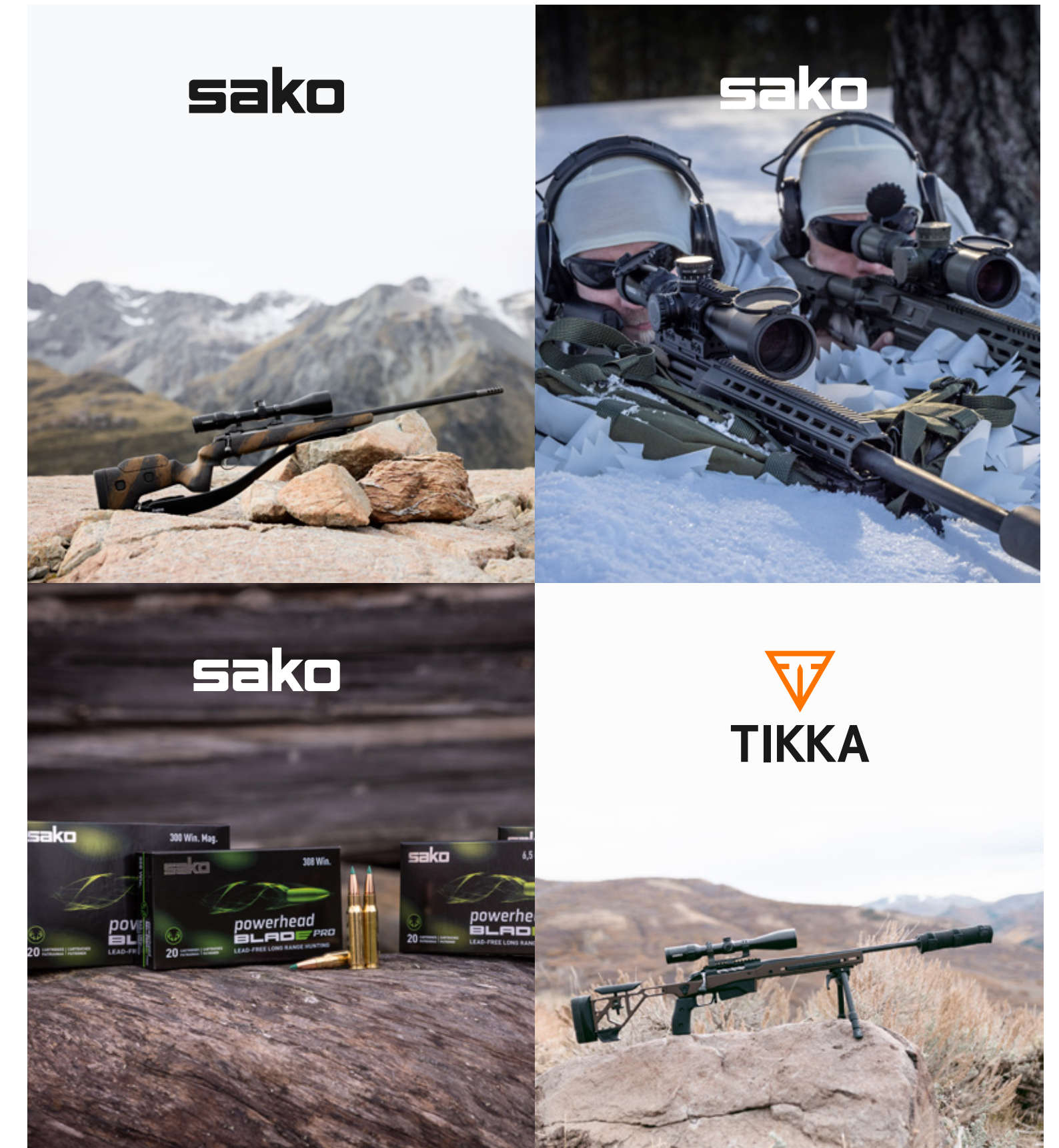
# SAKO IN BRIEF

Sako is a Finnish rifle and ammunition manufacturer with over a hundred years of tradition. Our products are renowned worldwide for their performance, precision, and high quality. They are trusted across hunting, sport shooting, and law enforcement and defense sectors.

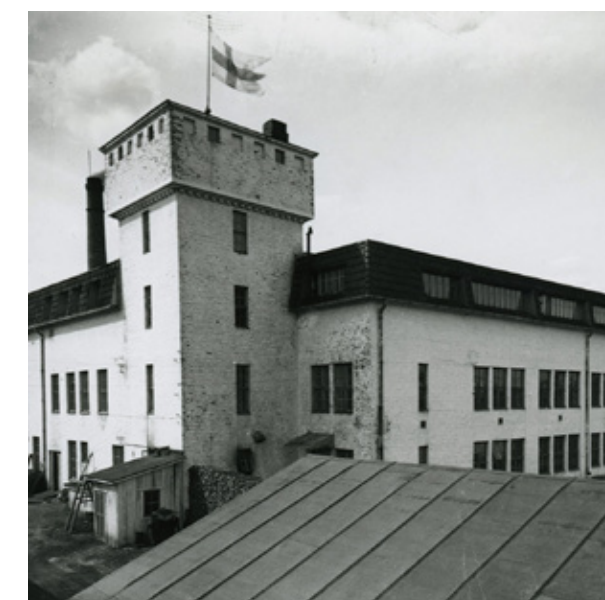
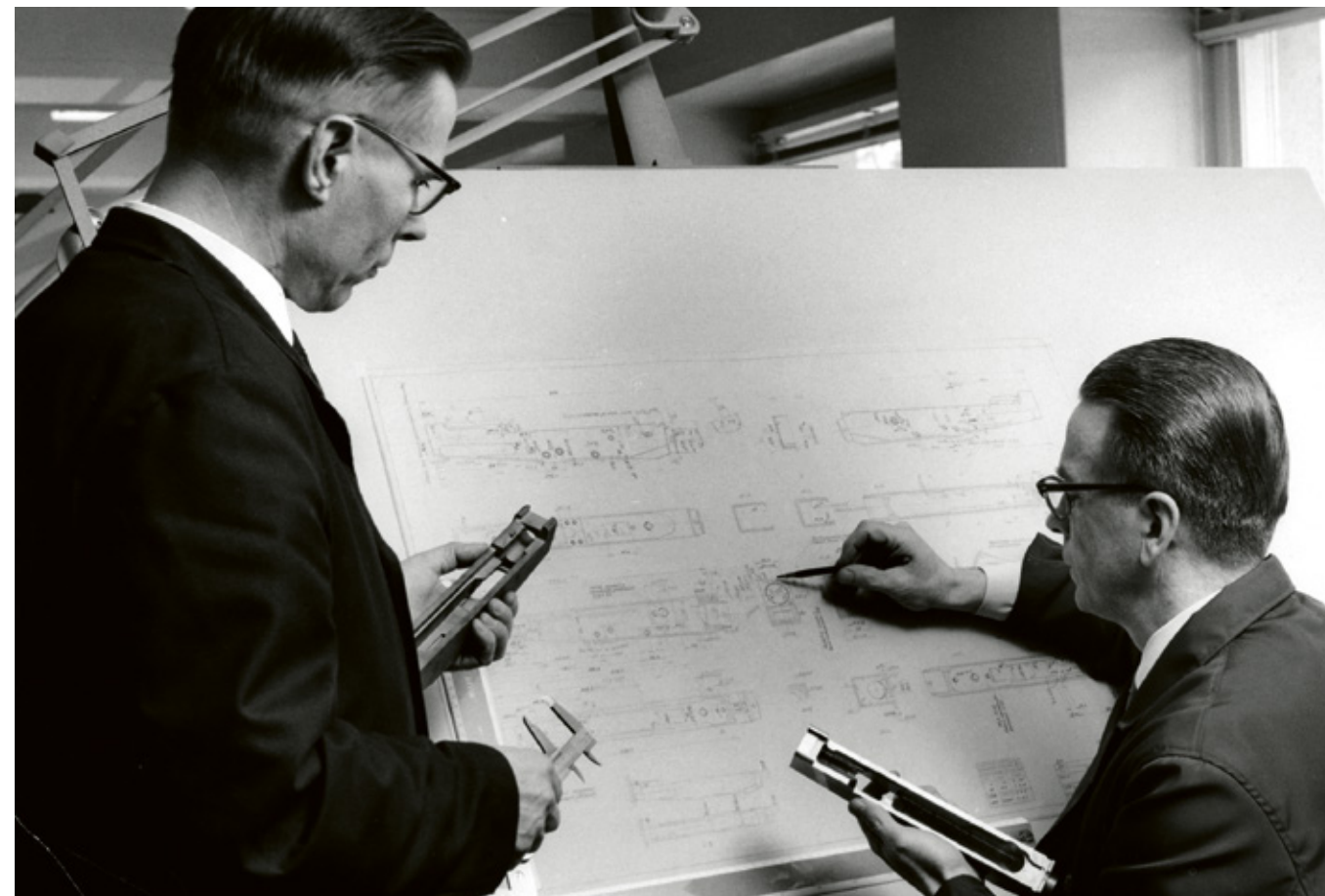
Sako and Tikka rifles, as well as Sako ammunition, are designed and manufactured in Finland. 98 % of our products are exported. In 2025, we employed 411 skilled professionals and produced over 140 000 rifles and 12 million rounds of ammunition. Our net sales in 2025 amounted to approximately 148 million euros. Our operations are based in Finland, specifically in Riihimäki, Hausjärvi, and Muurame.

We are part of Beretta Holding, the world's oldest industrial family business. In addition to designing, manufacturing, marketing, and selling our own brands, we serve as the official importer in Finland for the Beretta Holding Group's family of brands. The group's efficient shared sales and marketing resources, along with its global distribution channels, supports our efforts to strengthen our market position.

We prioritize the longevity, functionality, and high quality of our products, as well as the reliability and safety associated with their use. We continuously develop our operations to meet the expectations of the environment, society, and our users. For our staff, we place special emphasis on strong leadership, competence, well-being, and a safe and ethical corporate culture.



Our history, spanning over a century



- 1919 Sako began operations as a repair shop in Helsinki under the Civil Guard Headquarters.
- 1921 The repair shop was established as a self-financing company under the General Staff of the Civil Guard in Helsinki on April 1, 1921.
- 1927 Sako turned into a corporation and moved to Riihimäki.
- 1945 Sako was transferred from the Civil Guard to the ownership of the Finnish Red Cross.
- 1962–1999 Several changes in ownership and name.
- 1980s Valmet Ltd, Tikkakoski Ltd, and Sako Ltd emerged.
- 1989 Production of Tikka shotguns began under Sako's supervision in Riihimäki.
- 2000 Sako Oy became part of the Beretta Holding Group, the world's oldest industrial family-owned company. This has enabled the modernization of the factory, the diversification of production, more effective marketing, and a global distribution network.
- 2021 Sako 100th anniversary
- 2025 Sako Ltd is a successful, internationally active company and one of the few manufacturers that produces both rifles and ammunition.

# Key figures

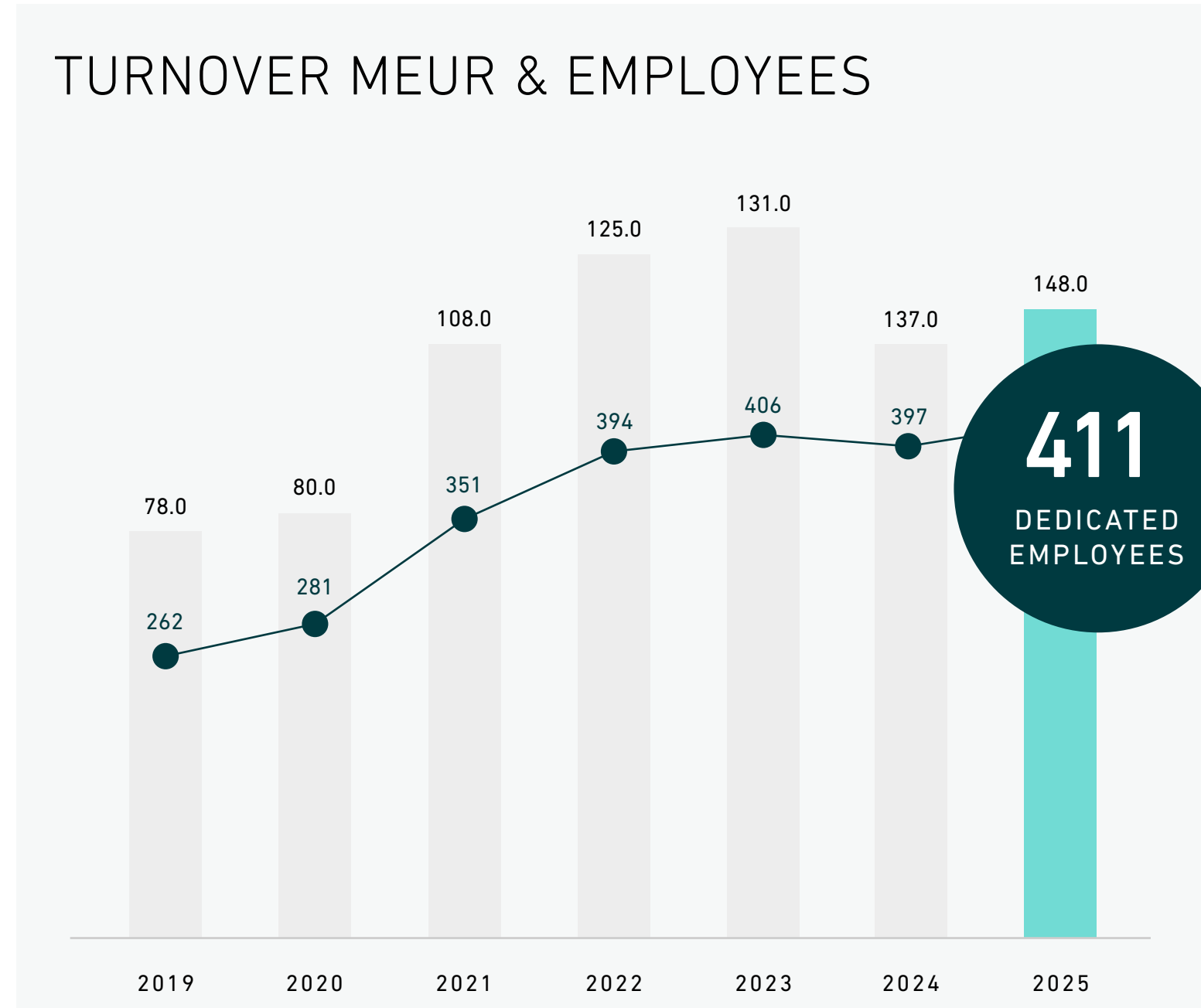


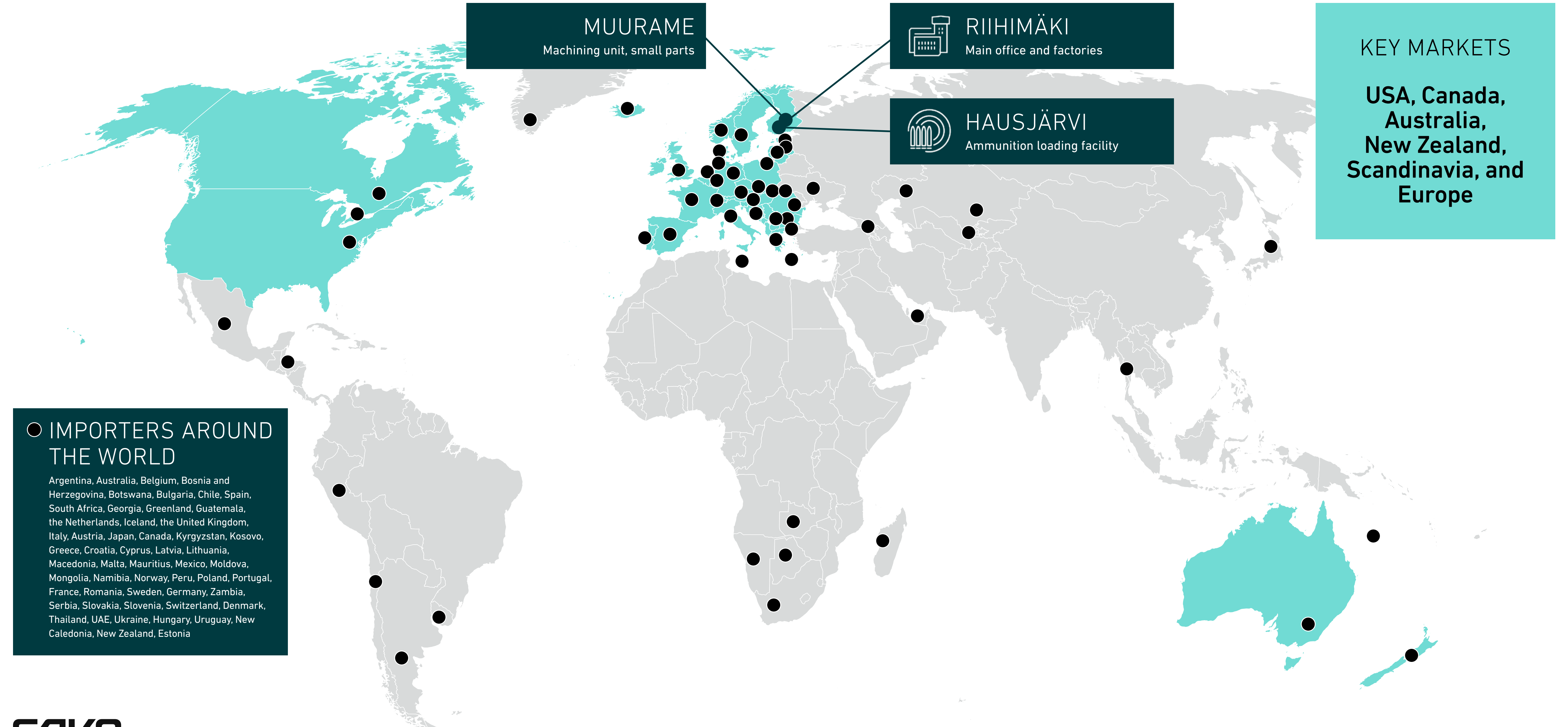
**140 000**  
MANUFACTURED  
RIFLES  
2025

**12 M**  
MANUFACTURED  
AMMUNITION  
2025

**98 %**  
SHARE OF EXPORTED  
PRODUCTS  
2025

**148 M€**  
TURNOVER  
2025





**MUURAME**  
Machining unit, small parts

**RIIHIMÄKI**  
Main office and factories

**HAUSJÄRVI**  
Ammunition loading facility

**KEY MARKETS**  
USA, Canada, Australia, New Zealand, Scandinavia, and Europe

**○ IMPORTERS AROUND THE WORLD**  
Argentina, Australia, Belgium, Bosnia and Herzegovina, Botswana, Bulgaria, Chile, Spain, South Africa, Georgia, Greenland, Guatemala, the Netherlands, Iceland, the United Kingdom, Italy, Austria, Japan, Canada, Kyrgyzstan, Kosovo, Greece, Croatia, Cyprus, Latvia, Lithuania, Macedonia, Malta, Mauritius, Mexico, Moldova, Mongolia, Namibia, Norway, Peru, Poland, Portugal, France, Romania, Sweden, Germany, Zambia, Serbia, Slovakia, Slovenia, Switzerland, Denmark, Thailand, UAE, Ukraine, Hungary, Uruguay, New Caledonia, New Zealand, Estonia

# Governance

## Annual General Meeting

The highest decision-making body of Sako Ltd is the Annual General Meeting. In accordance with the articles of association, the Annual General Meeting is held annually by the end of May. The Annual General Meeting decides on the approval of the financial statements, the use of profit, the granting of discharge from liability to the Board of Directors, and the appointment of the Board of Directors and the auditor. The decisions of the Annual General Meeting are made by the company's owners.

100 % of the shares in Sako Ltd are owned by Beretta Holding S.A.

## Board of Directors

According to Sako Ltd.'s articles of association, the responsibility of the Board of Directors is to lead the company's operations in accordance with the law and the articles of association, ensure the proper administration and organization of the company, provide instructions to the General Manager regarding the company's ongoing management, and make decisions on other measures that, given the scope of the company's operations, are unusual or far-reaching—as well as always on borrowing, entering into suretyships, and pawning the company's assets. The Board of Directors decides on the appointment of the General Manager.

The chairman of the Board of Directors of Sako Ltd is **Dott. Franco Gussalli Beretta**, and the board members are **Robert Eckert** and **Raimo Karjalainen**.

## General Manager

In accordance with the Finnish limited liability companies act, the General Manager is responsible for managing the company's day-to-day administration in accordance with the instructions and decisions

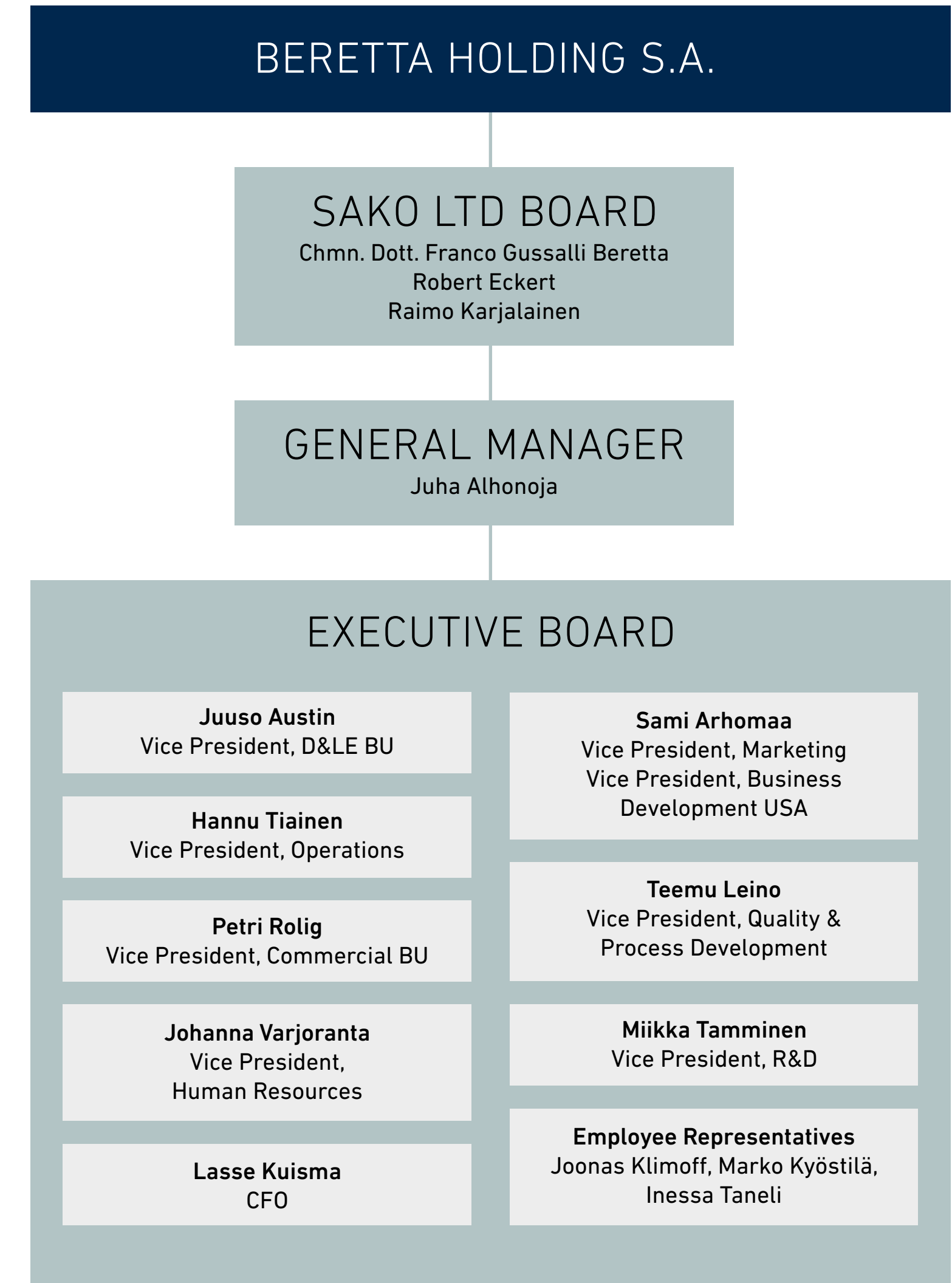
of the board of Directors. The General Manager also ensures that the company's accounting complies with the law and that financial management is organized reliably.

The General Manager of Sako Ltd. is Juha Alhonoja.

## Executive Board

The role of Sako Ltd's Executive Board is to assist the General Manager in the planning, oversight, and management of the company's operations. Sako Ltd's Executive Board meets twice a month.

The members of Sako Ltd's Executive Board are, from left to right in the photo: Teemu Leino, Juuso Austin, Juha Alhonoja (chairman), Sami Arhoma, Johanna Varjoranta, Petri Rolig, Lasse Kuisma, Miikka Tamminen, and Hannu Tiainen.



## We are part of the Beretta Holding Group.

Beretta Holding S.A. is the holding company of a renowned industrial group, celebrating its 500-year history in 2026. It directly or indirectly owns shares in over 50 companies. The group consists of leading companies in the fields of firearms, optics, ammunition, and accessories for hunting, sport shooting, and defense.

BDT (Beretta Defense Technologies) is the strategic alliance of Beretta Holding companies dedicated to serving military and law enforcement agencies worldwide. It brings together decades of expertise across firearms, ammunition, optics, electro-optics, tactical gear, and advanced R&D.

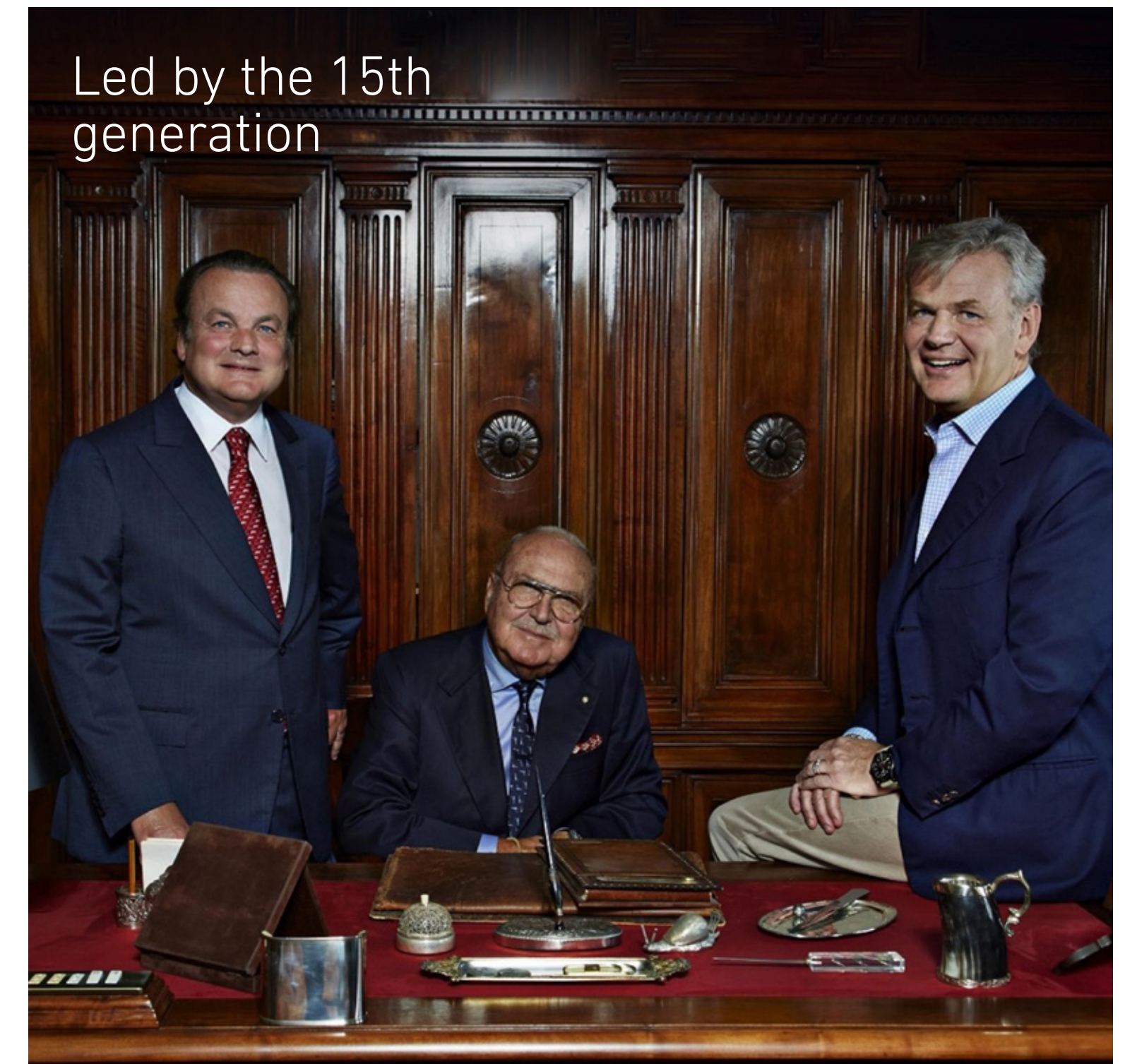


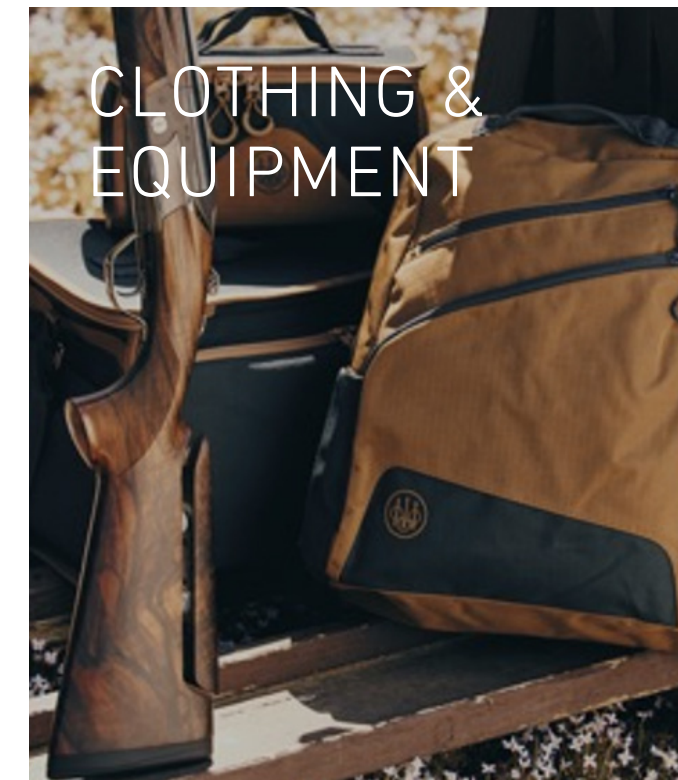
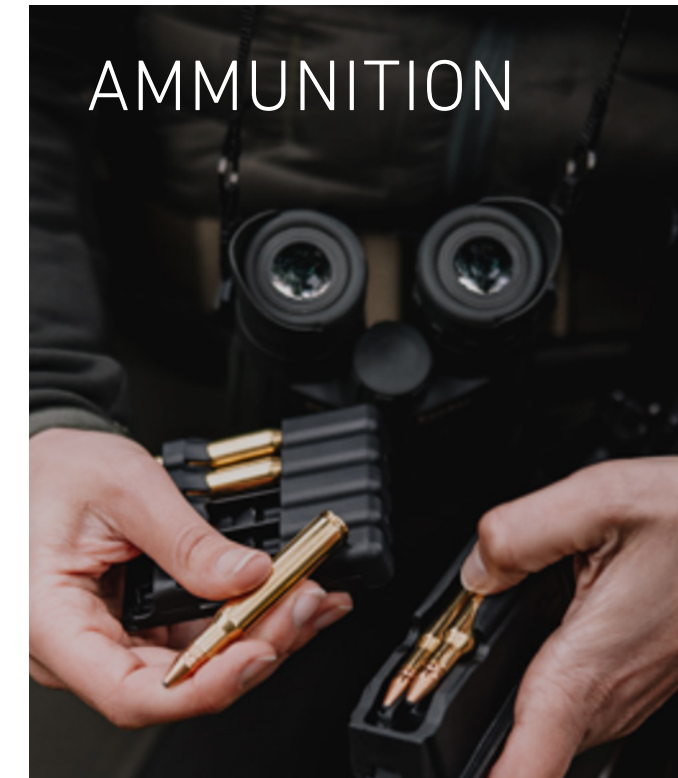
FOUNDED  
IN  
**1526**  
Beretta Holding is the  
world's oldest family-owned  
industrial company

**20+**  
BRANDS

TURNOVER  
**1668**  
bn €  
2024

EMPLOYEES  
**6000**  
2024





# VISION AND STRATEGY FOR SUSTAINABILITY

For Sako, sustainability is not just a promise, it is a way of doing business. We take a long-term perspective, operate with integrity, and take responsibility for our impact. Our success is always driven by our dedicated and skilled staff.

Tomorrow's excellence is  
built on the sustainable  
choices we make today

VISION FOR SUSTAINABILITY

By incorporating responsible practices into our daily operations, we are establishing ourselves as the most trusted partner for our customers and all our stakeholders - including in terms of our sustainability efforts.

We create opportunities for our customers to succeed in their work and pursue their passions. We provide our employees with the means to develop their professional skills in a safe work environment. We act as a responsible corporate citizen and an active member of society. We generate long-term profitability and sustainable growth for our owners.



1



## Environmental sustainability

AMBITION

We design and manufacture high-quality, durable, and maintainable products with the longest possible lifecycle and the smallest possible environmental footprint.

### HOW WE ACHIEVE THIS?

- By understanding our dependence on the planet's resources and striving to use them as sparingly as possible.
- By innovating solutions through sustainable product development and lifecycle thinking.
- By addressing development opportunities in our own operations that can positively impact the environmental footprint of our products during use or even at the beginning of the supply chain.
- By systematically identifying, measuring, and managing the environmental impacts of our own operations and those of our subcontractors in a goal-oriented manner.

### KEY THEMES

- Emissions calculation, climate change mitigation, and transition planning
- Wise use of resources and understanding the environmental impacts of resource use
- Sustainable product development and lifecycle thinking
- Handling hazardous or harmful substances and waste and preventing environmental pollution

### ACTIONS IN 2025

- First greenhouse gas emissions inventory (Scopes 1, 2, and 3).
- Increasing environmental awareness among staff and adopting the Falcony system for smoother reporting of observations and feedback.
- Integrating environmental perspectives more strongly into product design and production processes.
- Addressing issues identified in staff observations, such as improvements in the storage of hazardous waste.

The key themes of our environmental responsibility are linked to UN Sustainable Development Goal 12: Ensure sustainable consumption and production patterns, 13: Take urgent action to combat climate change and its impacts, and 15: Protect, restore, and promote the sustainable use of terrestrial ecosystems.



2



## Social sustainability

AMBITION

We build a culture of trust that extends from our staff to our customers and throughout our entire value chain. We aim to be our customers' most trusted partner, and our success is always based on committed and skilled personnel.

### HOW WE ACHIEVE THIS?

- By investing in leadership development and the skills of our entire staff, enabling us to create durable and impeccably high-quality products.
- By fostering a physically and psychosocially safe environment where well-being is guaranteed.
- By ensuring through customer understanding and collaboration that our products are always safe, accurate, and reliable for the user in all situations.
- By examining our entire supply chain and its practices to build trusting partnerships.

### KEY THEMES

- Meaningful work and world-renowned expertise in a safe environment, while growing together.
- Safe user experience and satisfied customers who achieve their goals.
- Corporate citizenship and collaboration with authorities.
- Reliable subcontractor relationships.

Sako's world-renowned expertise stems from the skills of its employees, a culture of innovation, encouragement, and appreciation.

### ACTIONS IN 2025

- Compiling an internal sustainability report and communicating on themes, implementing new operating models for leadership and skills development, and conducting a staff survey.
- Strengthening the after-sales team to support a more systematic approach to gathering feedback from customers and importers.
- Ongoing close collaboration with authorities regarding product manufacturing, sales, and exports, as well as engagement with industry organizations.
- Improving interaction with subcontractors through development work (implementation of the Jakamo service in 2026)

The core themes of our social responsibility are linked to the UN Sustainable Development Goals 8: Promote inclusive and sustainable economic growth, full and productive employment, and decent work for all; 3: Ensure healthy lives and promote well-being for all at all ages; and 17: Strengthen the means of implementation and the global partnership for sustainable development.



3



## Good Governance

AMBITION

Our carefully designed governance structures support accountability both in the long and short term — within our strategy and daily decision-making.

### HOW WE ACHIEVE THIS?

- By integrating sustainability into our strategic management and considering sustainability themes in all decision-making.
- By ensuring that responsible practices are implemented through clear responsibility allocation and governance structures. The Executive Team is responsible for implementing the sustainability strategy in practice.
- By encouraging ethical behavior and transparent communication as part of our culture of reliability. We take full responsibility for the quality of our work and meet the requirements of quality control, laws, and regulations.
- By basing our daily operations and choices on our ethical principles. We monitor the implementation of these principles and address violations if they arise.
- By evaluating social and environmental criteria in our supplier selection, nurturing long-term supplier relationships, and ensuring sustainability through contracts and close collaboration.

### KEY THEMES

- Governance structures that support sustainability leadership and responsibility allocation.
- Ethical principles, compliance with laws and regulations, and a culture of reliability.

- The end of the value chain and responsibility in retail: resale agreements, operating models, and Code of Conduct.
- Carefully selected suppliers and close supplier relationships

### ACTIONS IN 2025

- Enhancing Sako's organizational structure with a steering group for sustainability leadership and designated responsible people.
- Updating Sako's ethical principles (Code of Conduct), increasing internal communication on sustainability themes, and involving employees in the development of goals and operating models.
- Updating the Supplier Code of Conduct.
- Conducting an ESG supplier survey and establishing a role responsible for subcontractor quality.



The key themes of our administrative responsibility are linked to UN Sustainable Development Goal 16: Promote peaceful societies and ensure access to justice for all; build effective and accountable institutions at all levels.

# RECOGNIZING RELEVANT SUSTAINABILITY THEMES

In 2024, Sako Ltd conducted a double materiality analysis to identify the company's most material sustainability issues. The analysis was carried out in accordance with the principles of the European Sustainability Reporting Standards (ESRS).

The double materiality assessment assessed both Sako's impact on the environment and society and the impact of sustainability factors on the company's financial performance. Sako's sustainability working group, in collaboration with the management team, was responsible for planning and implementing the assessment process. The assessment covered all of Sako's business operations in Finland and formed the foundation for the company's sustainability strategy. The process was based on a three-step approach in accordance with the ESRS standard:

1. First, sustainability themes related to the company's operations were comprehensively identified. 2. Next, the materiality of each topic was assessed from the perspective of both external impacts (society and the environment) and internal impacts (impact on the company's finances). 3. Finally, the most significant topics were selected for prioritization in Sako's sustainability development work.

During the identification phase, a comprehensive list of potential ESG topics was compiled by utilizing the topic categories of the ESRS standards as well as the specific characteristics of the arms manufacturing industry.

Key stakeholders were also involved in the assessment. Views were gathered through both interviews and surveys from, among others, material suppliers, authorities, customers, and Sako's own personnel. The feedback played a significant role in determining which themes were considered most central to the company's sustainability work.

The sustainability working group used the collected data to help score the materiality of individual topics. The results of the assessment were finally reviewed in a management review to ensure that the material themes align with both strategic goals and stakeholder expectations.

As a result of the assessment, Sako identified a set of key ESG themes that are material both in terms of the company's external impacts and the success of its business operations. As a company in the firearms industry, Sako focuses particularly on safety and ethical considerations in its operations. Product quality and safety emerged as central themes in the analysis. Weapons must function

flawlessly, as quality or safety deficiencies could endanger the health and safety of users. Another critical theme is strict compliance with international regulations. Violating laws related to arms exports and control could lead to serious societal consequences and jeopardize the company's operating licenses and reputation.

The analysis also highlighted other sustainability issues significant to Sako's operations. In terms of environmental responsibility, the focus was on energy efficiency and reducing emissions: improving the energy efficiency of manufacturing processes reduces the company's climate impact while also mitigating business risks related to, for example, rising energy costs or climate policy regulations.

Employee safety and well-being are also critical themes for Sako. A safe working environment in firearms manufacturing is both an ethical obligation and a prerequisite for operational continuity, as serious workplace accidents could jeopardize not only employee health but also the smooth flow of production.

In addition, Sako emphasizes ethical business practices and good governance: Sako adheres to strict ethical principles and focuses, for example, on combating corruption and closely monitoring legal compliance.

Through a materiality analysis, the following themes were identified as Sako's material sustainability topics: product safety, regulatory compliance, responsible supply chain, energy efficiency, occupational health and safety, systematic development of employee competence, cooperation with authorities, and ethical business practices. These topics are significant from two perspectives: on the one hand, they represent the most significant impacts of Sako's operations on the surrounding society and environment, and on the other hand, they pose significant financial risks or opportunities for the company if they are not addressed.

This dual-purpose principle ensures that Sako focuses its sustainability efforts on the themes that are most important both to stakeholders and to the company's long-term success.

ESRS-STANDARDS	SUB-CATEGORIES	FINANCIAL MATERIALITY	IMPACT MATERIALITY
E1 Climate change	Climate change adaptation	Material	Material
	Climate change mitigation	Material	Material
	Energy	Material	Material
E2 Pollution	Pollution of air	Material	Material
	Pollution of water	Material	Material
	Pollution of soil	Material	Material
	Pollution of living organisms and food resources	Material	Material
	Use of substances of concern	Material	Material
E3 Water	Exploitation and use of marine resources	Not material	Not material
	Wastewater discharges into the oceans	Not material	Not material
	Wastewater discharges	Material	Material
	Water withdrawal	Material	Material
	Water consumption	Material	Material
E4 Biodiversity and ecosystems	Impact to the species' population size	Material	Material
	Direct factors contributing to the loss of biodiversity	Material	Material
	Effects on the size and condition of ecosystems	Material	Material
	Impacts and dependencies of ecosystem services	Material	Material
E5 Resource use and circular economy	Resource inflow, including resource use	Material	Material
	Resource outflow from products and services	Material	Material
	Waste	Material	Material

ESRS-STANDARDS	SUB-CATEGORIES	FINANCIAL MATERIALITY	IMPACT MATERIALITY
S1 Own workforce	Working conditions	Material	Material
	Equal treatment and opportunities for all	Material	Material
	Other work-related rights	Not material	Not material
S2 Workers in value chain	Working conditions	Not material	Material
	Equal treatment and opportunities for all	Not material	Material
	Other work-related rights	Not material	Material
S3 Affected communities	Economic, social, and cultural rights of communities	Not material	Not material
	Civil and political rights of communities	Not material	Not material
	Indigenous peoples' special rights	Not material	Not material
S4 Consumers and end-users	Impact of information to consumers and/or end-users	Material	Material
	Personal safety of consumers and/or end-users	Material	Material
	Social inclusion of consumers and/or end-users	Not material	Material
G1 Business conduct	Corruption and bribery	Material	Material
	Relationships with suppliers, including payment practices	Material	Material
	Political influence	Material	Not material
	Animal welfare	Not material	Material
	Reporting of misconduct	Not material	Not material
	Corporate culture	Material	Material
	Security of supply (other than ESRS)	Material	Material



# ENVIRONMENTAL SUSTAINABILITY

- 21 Adaptation and mitigation to climate change
- 23 Resource use and circular economy

# ENVIRONMENTAL SUSTAINABILITY

## – Long product lifecycles, minimal environmental footprint

We are committed to mitigating climate change and minimizing our environmental footprint across our entire value chain. Our most important concrete environmental actions aim to improve resource efficiency. For us, that means wiser use of energy and raw materials and promoting circular economy by reducing waste and extending product lifecycles. Sako's environmental policy guides the implementation of environmental responsibility.

### Responsible chemical management

We have strict processes in place for assessing and managing chemical risks. Our chemical inventories, safety data sheets, substances of concern, and compliance-related information are all stored electronically in the Ecobio Manager system, which is accessible from production computers. We regularly provide staff with training on the safe use and storage of chemicals, and chemical safety is also covered in our company-wide HSE onboarding program.

Our principle is to store chemicals in their original packaging or in designated containers labeled according to the CLP Regulation. Storage quantities must be proportionate to usage and the size of the storage area. In 2025, we placed special focus on chemical storage and improved our response to identified deviations. As a result of enhancements to storage and disposal practices, we can now ensure, for example, the proper storage of hazardous waste and its reliable delivery for further processing.

To enable the fastest possible containment and control of potential spills, we have equipped our facilities with spill response equipment. Additionally, in 2025, we organized spill response training and drills for personnel who handle or transport chemicals. Chemical residues, chemical-laden wastewater, and similar waste are treated appropriately as hazardous waste.

### Water consumption and wastewater discharge

We use water in our processes for activities such as surface treatment of metal parts and casings, machining, and washing and cleaning. Since the beginning of 2023, we have been monitoring our water and energy consumption using the EnerKey service.

We comply with an industrial wastewater discharge agreement with the local water utility, which sets limit values for wastewater discharged into the sewer system. Wastewater concentrations are monitored monthly through sampling and analysis. Samples are collected by an external party (KVVY Tutkimus Oy).

### Environmental impacts of shooting ranges

We are committed to minimizing our environmental impact at our shooting ranges in Hausjärvi and Riihimäki. To prevent metal emissions from cartridges into soil, surface water, and groundwater, we direct bullets into bullet traps and dispose of bullet waste properly. Metallic dust generated during firing remains contained within the pressure release area, and we have established agreed-upon practices for its cleaning and disposal.

According to a noise survey conducted in Hausjärvi in 2023, the maximum impulse-corrected sound level at the nearest disturbed location was below 60 db. In terms of our product range, we have been actively developing alternative solutions for ammunition as lead use restrictions become stricter.

**Partnerships**

We extend our environmental responsibility as far as possible across our value chain. In early 2025, we conducted an ESG supplier survey covering our suppliers' activities in 2024. 18 key suppliers responded, and the results showed that the majority have environmental management systems, metrics, and certifications such as ISO 14001 and Ecovadis in place.

Two-thirds of respondents also reported being able to provide Sako with product- or service-specific emissions data, which helps us assess and manage our own total emissions more precisely in the future.

At the end of 2025, we began preparing to centralize supply chain management and supplier dialogue in the Jakamo service. The platform will be fully operational in 2026.

We work with well-known companies that are committed to responsible operations and generally have certified environmental management systems in place.

## Mitigation and adaptation to climate change

In 2025, our total greenhouse gas emissions (Scope 1, 2, and 3) were approximately 28 594 tonnes of CO<sub>2</sub>eq, calculated using a market-based approach. Nearly 88 % of emissions were generated within our value chain, particularly from the manufacturing of purchased products and services. Our own operations accounted for about 0.1 % of total emissions, while emissions from purchased electricity and heat (Scope 2) made up around 12 %.

The emission calculation was carried out using OpenCO2net's organization-specific carbon footprint calculator, which is based on the Greenhouse Gas Protocol and ESRS E1 standards. The calculation utilized the OpenCO2 emissions database, which includes over 7 000 up-to-date emission factors selected and validated by carbon footprint calculation experts. The database is updated twice a month, and the calculation uses the most recent available emission factors.

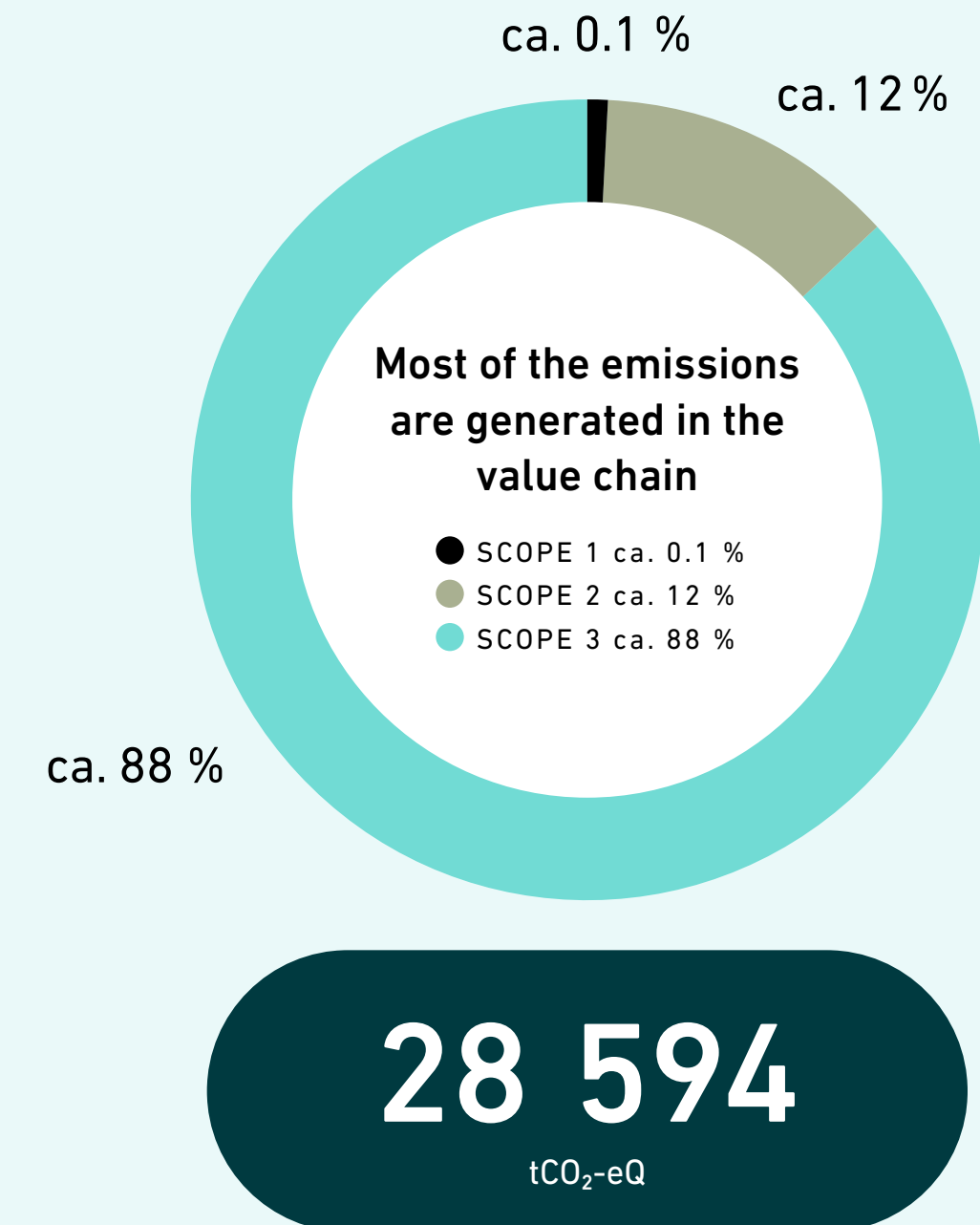
Sako's greenhouse gas emissions calculation was significantly refined compared to the previous year. In the 2025 inventory, a much larger portion of the calculation was based on physical quantities rather than monetary values, which were used in the 2024 calculation. As a result, the figures are not directly comparable between the two years.

Most of the variation in emissions figures between 2024 and 2025 is explained by the refined data and the update of emission factors. One factor increasing emissions was the increased use of air freight due to project-related tight deadlines from authorities.

In 2025, we also decided to transition to zero-emission energy, with a new contract coming into effect at the beginning of 2026. We will develop an emissions reduction plan outlining future measures during 2026.

The calculation primarily used supplier-specific emissions data. Where supplier-specific data was unavailable, emission factors and emissions databases were applied as far as possible.

### TOTAL GREENHOUSE GAS EMISSIONS



**Energy efficiency agreement**

We achieved our energy savings target of 757 MWh set in the Technology Industries of Finland Energy Efficiency Agreement for 2017–2025 ahead of schedule. This milestone was reached through systematic upgrades, including the replacement of fluorescent lighting with LED fixtures in production facilities. Lighting at the Ase Factory and in the old factory premises is now 100 % LED-based.

We are also participating in the next phase of the Energy Efficiency Agreement for 2026–2035, committing to continuously improve and optimize our energy use in the long term.

**Climate risks**

We consider the physical and financial risks posed by climate change in our operations. For example, extreme weather events could disrupt our supply chain or cause production disruptions in the future. To prepare for these risks, we develop plans to safeguard critical operations. We actively monitor the development of climate-related regulations, such as potential new requirements for industrial emissions or material use and respond proactively to their changes.

**ENERGY CONSUMPTION (MWh)**

**i** We achieved our energy savings target of 757 MWh set in the Technology Industries of Finland Energy Efficiency Agreement for 2017–2025 ahead of schedule. We will also participate in the next phase of the energy efficiency agreement, covering the years 2026–2035.

## Resource efficiency and circular economy

We design our products to perform in extreme conditions and to last decades of use. Our design principles always favor modular structures, enabling versatile customization for different user groups.

In our production, we maximize the efficient use of raw materials and components. Metal shavings generated during machining are systematically collected and sent for recycling to be used as raw materials for new products. Environmental considerations are integrated into our production processes as part of product design. Every product idea is evaluated during the design phase for environmental risks and opportunities before advancing to further development.

### Alternative materials

We are exploring opportunities to replace critical or rare materials with innovative alternatives. Our goal is to find solutions that meet the high-performance requirements of our products while reducing the environmental burden of manufacturing.

### Packaging

In 2025, we completed our packaging reform, which we had begun the previous year, across our entire product range. By replacing plastic packaging materials with cardboard and paper, we reduced the share of plastic to nearly zero. We now use specialty plastics only when they are essential for protecting the products, such as in rust-prevention bags.



**Waste management**

We classify waste into approximately three categories: metal waste, hazardous waste, and other waste. Metal waste is sent for processing to Kuusakoski. The majority of metal waste consists of steel shavings generated during production processes. We also generate waste from aluminum, copper, lead, and brass. Production processes also generate hazardous waste, such as flocculation waste, emulsions, and cutting oils.

For other waste, we collect energy waste, mixed waste, bio waste, packaging glass, packaging metal, clear film plastic, wood waste, wooden pallets and packaging, cardboard, recycled paper, and confidential shredded paper.

We monitor the utilization and recycling rates, total volumes, and costs of waste on a monthly basis. These metrics do not include metals. We set a goal of 80 % for the utilization rate, with a realization of 77 % in 2025. Our goal for the recycling rate is 40 %, with a result of 50 % last year.

**Environmental observations**

We encourage our staff to make observations on environmental matters, which has proven to be an effective way to improve our operations. For example, plastic collection was initiated based on a staff report. In 2025, a total of 160 environmental observations were recorded. Of these observations, 50 % concerned waste management. For 2026, we have set a target of 150 environmental observations.



We encourage our staff to make observations on environmental matters, which has proven to be an effective way to improve our operations. In 2025, a total of 160 environmental observations were recorded.



## WASTE BY WASTE GROUP IN TONS (T)

Waste group	Generated waste	Waste diverted from final treatment	Waste directed to final treatment
Biowaste	7.7	7.7	0
Energy	30.4	30.4	0
Paper waste	3	3	0
Recycled wood	9.6	9.6	0
Clear plastic wrap	1.9	1.9	0
Sludge	27.1	27.1	0
Other	2.9	2.9	0
Cardboard	28.7	28.7	0
Glass packaging	0.7	0.7	0
Metal packaging	0.4	0.4	0
Plastic packaging	1.1	1.1	0
Wood waste	4.4	4.4	0
Wooden pallets and packaging	0.9	0.9	0
Mixed waste	14.5	14.5	0
Mixed wood	29.4	29.4	0
Electrical and electronic waste	1.3	1.3	0
Data protection materials	2	2	0
Hazardous waste	258.2	160.6	97.6
<b>Total</b>	<b>424.2</b>	<b>326.6</b>	<b>97.6</b>

Total amount of non-recycled waste

**214 t**

Percentage of non-recycled waste

**50 %**

## KEEPING AN EYE ON THE ENVIRONMENT



The importance of these observations cannot be overstated. Reporting helps identify areas for improvement and enable a timely response.

– NINA OVASKAINEN

**Nina Ovaskainen** joined Sako's quality team in 2021. Gradually, her responsibilities shifted toward environmental issues, guided by her personal interest and her degree in environmental engineering. With the establishment of Sako's sustainability steering group, Nina took full responsibility for leading the company's environmental efforts.

Nina identifies environmental observations as the most significant development in recent years. In 2023, 13 of all observations made by staff were related to the environment. The following year, the goal was set at 50 observations, which was exceeded by three observations.

– This surge in observations was driven by active campaigns and consistent communication. Initially, those reporting observations were primarily the individuals advocating for the issue, but by 2025, observations came from across Sako's workforce, Nina notes with satisfaction.

There is a lot to be happy about. The number of environmental observations, already high, was targeted to double to 100 in 2025, with the aim of increasing their share of all observations to 10 %. Both goals were surpassed, with 160 environmental observations recorded. The switch to the Falcony system in December, which simplifies reporting, suggests this trend will continue.

– The importance of these observations cannot be overstated. Reporting helps identify areas for improvement and enables timely responses, Nina emphasizes.

– Sako's staff have embraced the initiative wholeheartedly, actively driving our progress forward, step by step.

About half of the environmental observations made in 2025 were related to waste. Most commonly, they were related to improving the sorting capabilities of a single waste type in a specific department.

**Tightening the focus on emissions**

Another major milestone in Sako's environmental work last year was the greenhouse gas emissions inventory for 2024. The first-ever emissions calculation provided a solid foundation for future climate action planning.

– In the 2025 emissions inventory, we took steps to improve the quality of the data used as the basis for calculations. Replacing monetary coefficients with kilograms gives us a much more accurate picture of the overall situation, Nina explains.

– Procurement accounts for two-thirds of our emissions, so the accuracy of related data is crucial to our climate efforts.

Looking ahead, the planned adoption of the Jakamo service in 2026 will further streamline supply chain management. This change will centralize information and documents into a single system, which will also serve as a communication channel with suppliers.



# SOCIAL SUSTAINABILITY

- 29 Well-being and safety in the workplace
- 36 Expertise development
- 37 Leadership development
- 38 Product safety and quality
- 40 Corporate citizenship and collaboration with authorities

# SOCIAL SUSTAINABILITY

## – A culture of trust

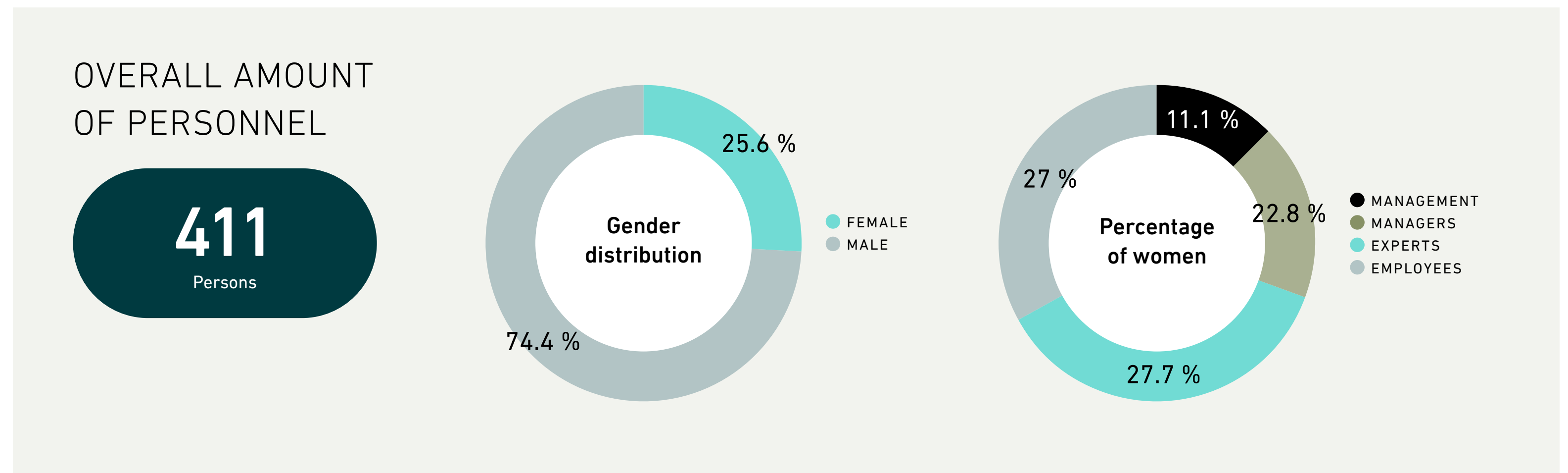
Trust is the foundation of everything we do at Sako. In our industry, the demands for safety, reliability, and unwavering quality standards are exceptionally high. Every stakeholder, from authorities and subcontractors to our employees and the end users of our products, must be able to trust that responsibility is an integral part of every decision and operational model at every level of our value chain. Each participant in the value chain builds, nurtures, and strengthens trust through their actions and choices every single day.

The foundation of everything is the well-being, competence, and safety of our personnel. We believe that only motivated and skilled personnel, working in an encouraging and safe environment, can produce the highest-quality and most precise products - products that can be trusted in all conditions. That's why we actively develop leadership skills, and practices that support our personnel's well-being at work.

We are committed to respecting and promoting human rights throughout our value chain. We also expect our partners and

subcontractors to adopt responsible practices that uphold workers' rights, ensure safe working conditions, and promote equality. Trust, however, is not something that can be mandated, it is built through the ability and willingness to work toward shared goals.

To foster a culture of trust, we invest in open and active dialogue and long-term partnerships with all of our stakeholders.



## Well-being and safety in the workplace

Sako holds an ISO 45001 certified occupational health and safety management system, and an occupational health and safety policy approved by the executive team. This policy commits us to continuous improvement in safety and sets our long-term goal of zero accidents, occupational diseases, and work-related illnesses.

### Safety observations

Making safety observations in daily work is a key part of developing and maintaining our safety culture. We encourage all employees to report observations on ergonomics, tool placement, slip hazards, and other workplace issues with low threshold.

Employee engagement is supported through practical incentives, such as monthly draws among all submitted observations and the inclusion of safety goals in our production bonus model. Safety is also a recurring theme in our monthly focus areas, where we highlight topics that we consider particularly important. This approach has proven effective — spotlighting a safety theme almost always leads to an increase in both the quantity and quality of observations.

In 2025, the number of safety observations grew significantly beyond our targets, as it had the previous year. While our goal was 1 000 observations, we achieved nearly 1 300 reported observations, leading to numerous corrective actions, both large and small. The most common themes in these observations were cleanliness and order, as well as slip and trip hazards. Of the 1 284 observations made in 2025, 28 involved near-miss situations.

In December 2025, we transitioned to using the Falcony system for reporting observations. This system upgrade was aimed at improving transparency, communication, and ease of use. With the new system, every employee who reports an observation can better track who is responsible for addressing it, how the process is advancing, and even provide feedback on processing speed if necessary. The system is also used for reporting work-related accidents.

As a new feature, the Falcony system includes an idea channel, where all employees can submit improvement ideas in the spirit of continuous

enhancement. The system enables all users to engage in discussions and collaborative innovation around these ideas. The idea channel has been well received by personnel and was actively used during its first month.

Every observation is reviewed regularly in supervisor-led team, departmental, or safety committee meetings. Corrective actions based on observations are documented in the reporting system with assigned responsibilities and timelines to ensure follow-up.

Regular safety walks conducted on the factory floor ensure that any issues are addressed immediately. This practice is complemented by management safety walks, which were launched last year. Workplace safety is also a permanent agenda item in management meetings and monthly staff updates.

### Learning from workplace accidents

In spring–summer 2025, Sako achieved a record-breaking 204-day streak of zero workplace accidents. This milestone was celebrated with employees by sharing pastries at the 100-day mark and reflective vests for the entire staff when the streak surpassed 200 days.

We thoroughly investigate every workplace accident to identify root causes. Supervisors review accidents with occupational health and safety personnel using methods such as the "5 Whys" root cause analysis and chronological reviews to understand the sequence of events.

Our accident investigation follows a standardized model: first, we gather information and descriptions of what happened; then, we analyze the causes, define corrective actions, and finally monitor the implementation of these actions. To learn from accidents, we launched monthly Teams meetings in 2025 to review all accidents that occurred during the previous month. The supervisor of the affected department presents the

accident, and others have the opportunity to ask questions and share their perspectives. This model for sharing lessons and collaboratively finding solutions has been well-received.

**Developing workplace well-being and capacity for work**

To enhance workplace well-being, we collaborate with occupational health services on workplace surveys and risk assessments. In 2025, we placed special emphasis on workplace physiotherapist visits and proactive check-ins across all departments. Regular physiotherapist visits help address musculoskeletal issues early, reducing absences related to these conditions. By improving ergonomics and early problem detection, we have been able to decrease musculoskeletal-related absences year over year.

In addition to physical workload factors, we have begun paying closer attention to psychosocial workload. We are participating in a collaboration project with the Finnish Institute of Occupational Health to develop new tools for identifying and addressing psychosocial stress factors through employee interviews and workshops. We have identified

that clear goals, well-defined job descriptions, and organized work processes significantly impact staff resilience. In response, we updated the job descriptions for all administrative staff in 2025. Additionally, a process improvement project launched during the year has already brought, and will continue to bring, clarity to roles and responsibilities. We support staff resilience through flexible working hours; employees can temporarily reduce their weekly working hours for personal reasons if needed. Work-life balance is also assessed in our staff surveys. In 2025, our Employee Recreation Committee was launched. During the year, the committee organized trial sport activity, a "Back to Work" event after the summer holidays, and a festive Christmas party.

To promote mental well-being, we offer employees low-threshold services such as the Mielen Chat crisis service and the Auntie well-being service. These services allow employees to discuss stress, work resilience, and other life challenges with professionals.

Developed in collaboration with employee groups, "Safety First – Sako's Golden Rules of Safety" summarize our most important safety principles into clear guidelines.

The rules are communicated regularly to all staff, both during onboarding and on a thematic basis, and awareness of them is actively embedded in our practices.

SAFETY FIRST – SAKO'S GOLDEN RULES OF SAFETY



**1 MOVE SAFELY**

Be aware of your surroundings, pay attention to your environment, and watch out for moving machinery. Minimize the use of electronic devices while moving.



**2 OBSERVE AND REACT**

Identify hazardous situations and address issues. Through safety observations and suggestions for improvement, we work together to create a safe workplace for everyone.



**3 USE OF PROTECTIVE EQUIPMENT**

Use personal protective equipment and tools suitable for the job. Set a good example and, if necessary, provide guidance to others as well.



**4 THINK – ACT**

First, think about what you're doing, and then carry out your work with confidence, precision, and professionalism. If you're unsure, ask. Double-checking is part of being a professional.



**5 MACHINERY, CHEMICALS, AND PRODUCTS**

Be aware of the risks associated with machinery and chemicals and how to use them properly. Handle firearms and ammunition safely.



**6 PUNCTUALITY AND CLEANLINESS**

Do your part to keep the area clean. A clean work environment is safer and more pleasant for everyone.



**7 RESPECT EACH OTHER**

Promote team spirit and be considerate of others in your work. In a workplace where people respect one another, matters are always handled in a positive spirit and with good manners.



**8 CORRECT ACTION IN EMERGENCIES**

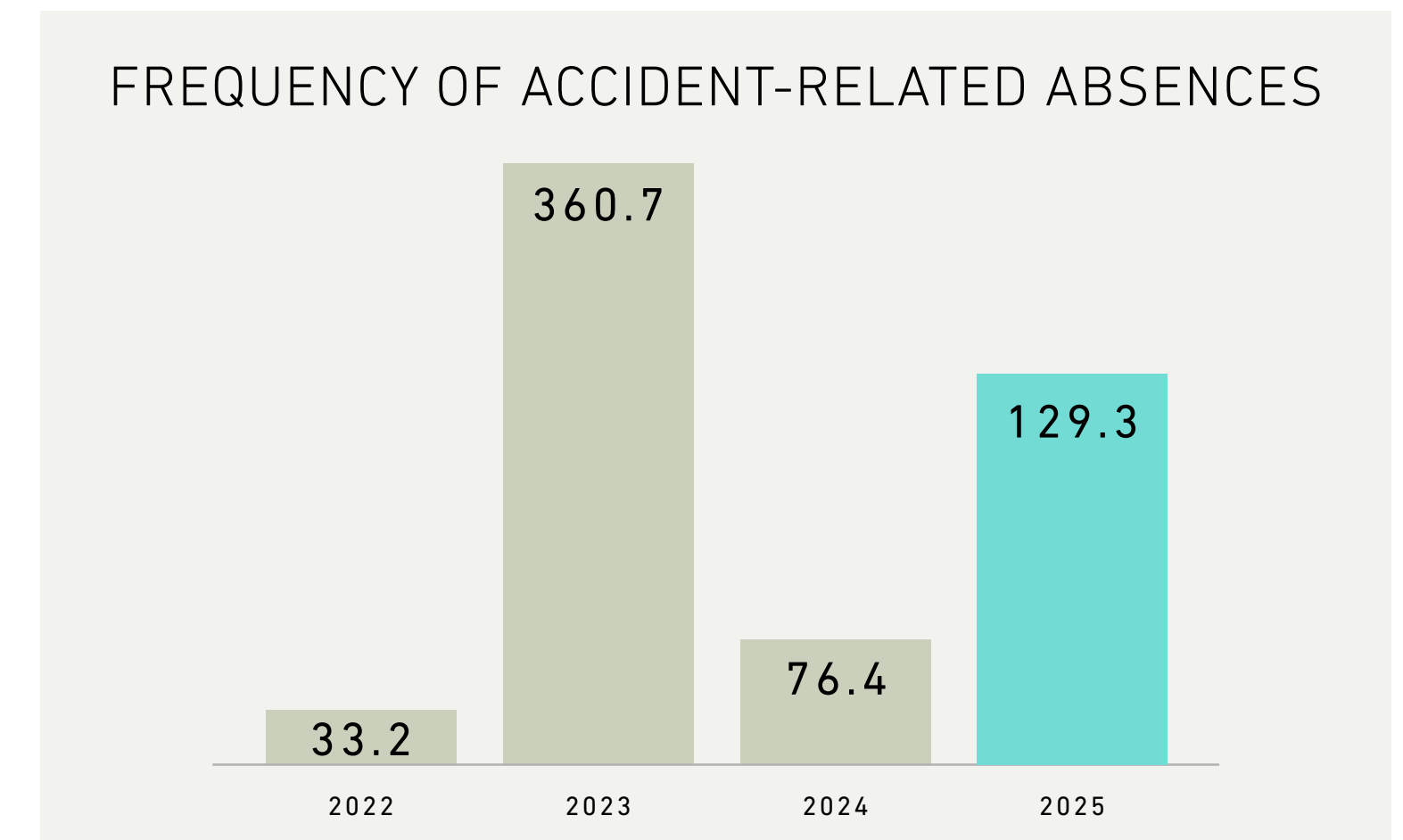
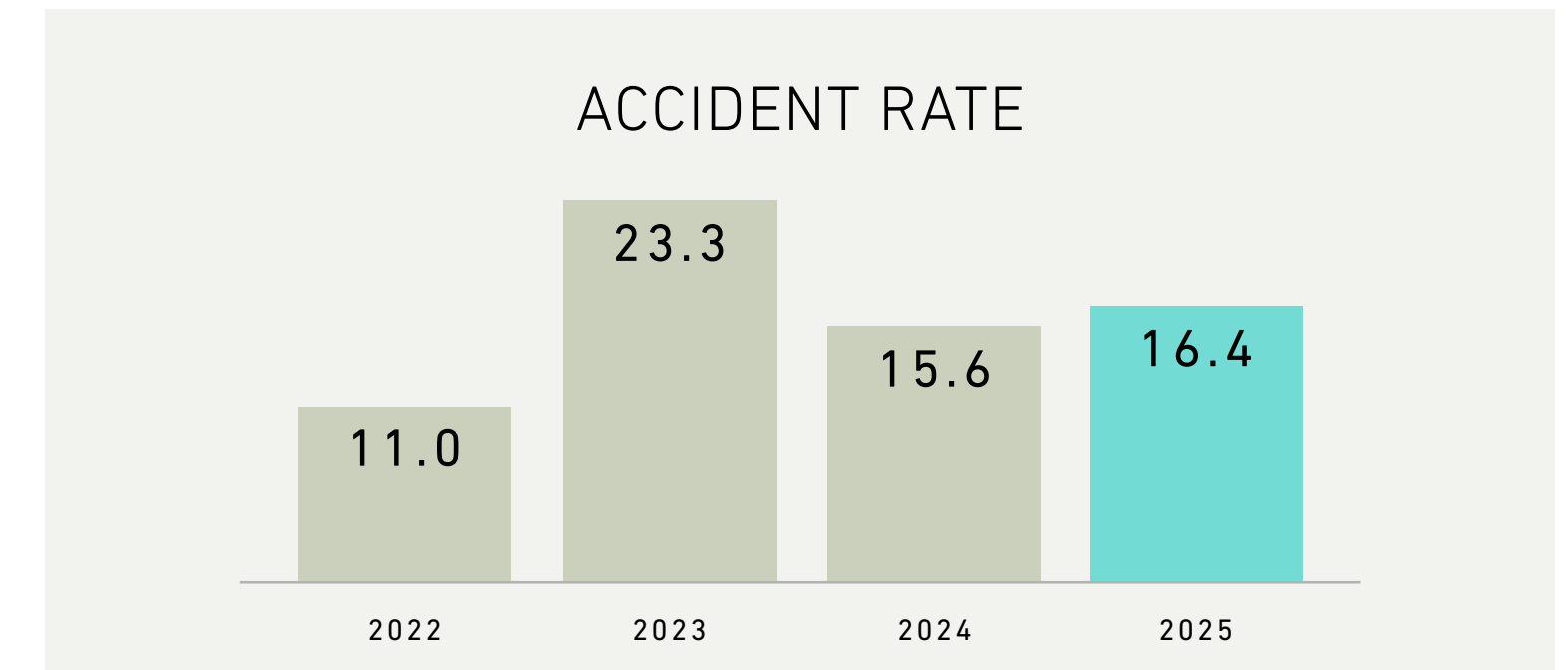
Anticipate emergencies and be familiar with the emergency plan. Help others and ask for help.

We closely monitor staff sick leave as part of our well-being management. The Executive Team reviews monthly sick leave statistics and other well-being metrics. When sick leave exceeds set thresholds, supervisors schedule early support discussions with employees. These discussions can also be initiated for other reasons if concerns arise about an employee's well-being - such as resilience, workplace issues, or substance use. The discussions cover the employees' situation and agree on necessary support measures.

Issues related to staff safety, health, and work capacity are addressed in our occupational safety committee, where employee representatives actively participate in developing work, working conditions, and the work community

**Reporting misconducts**

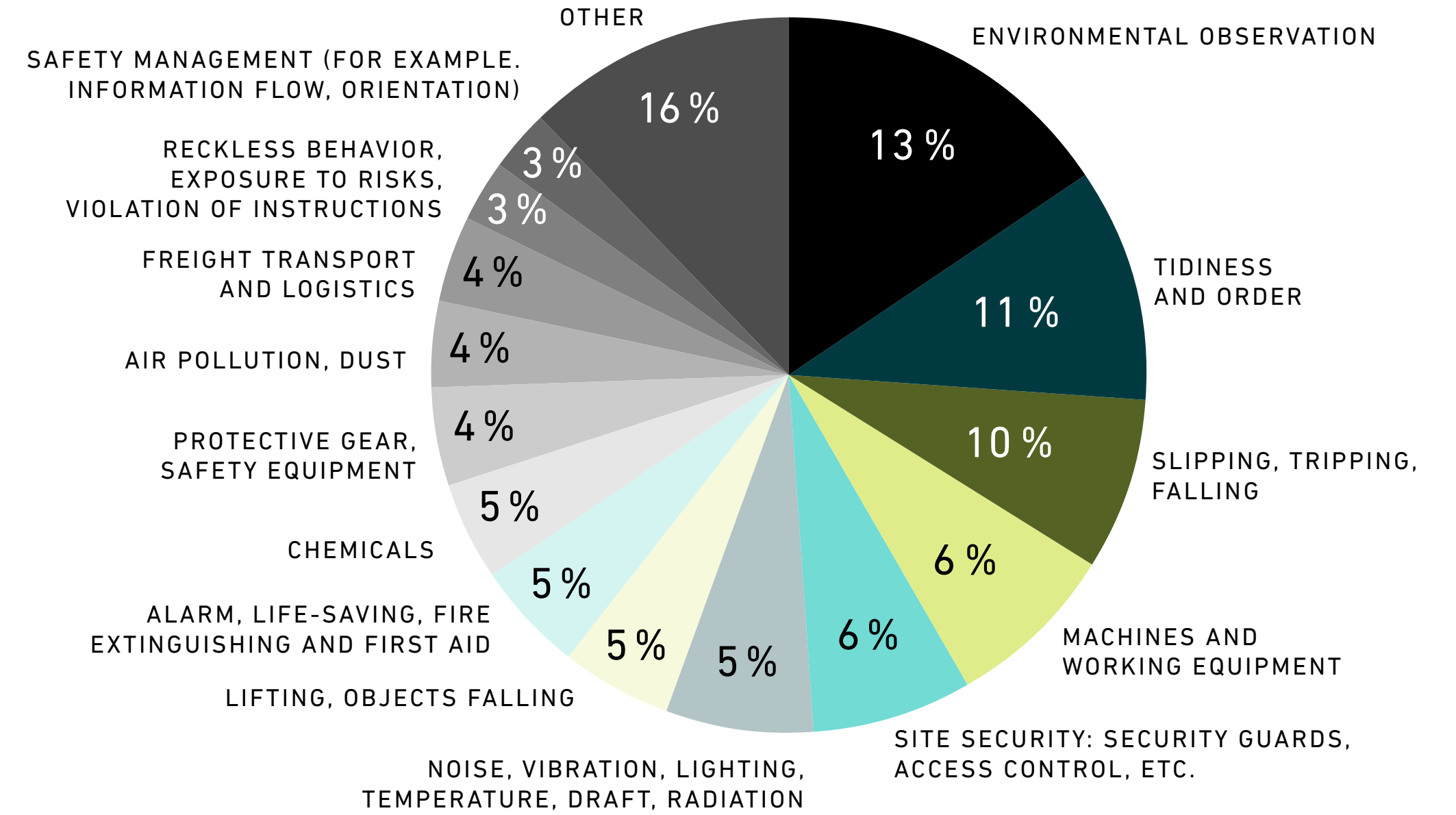
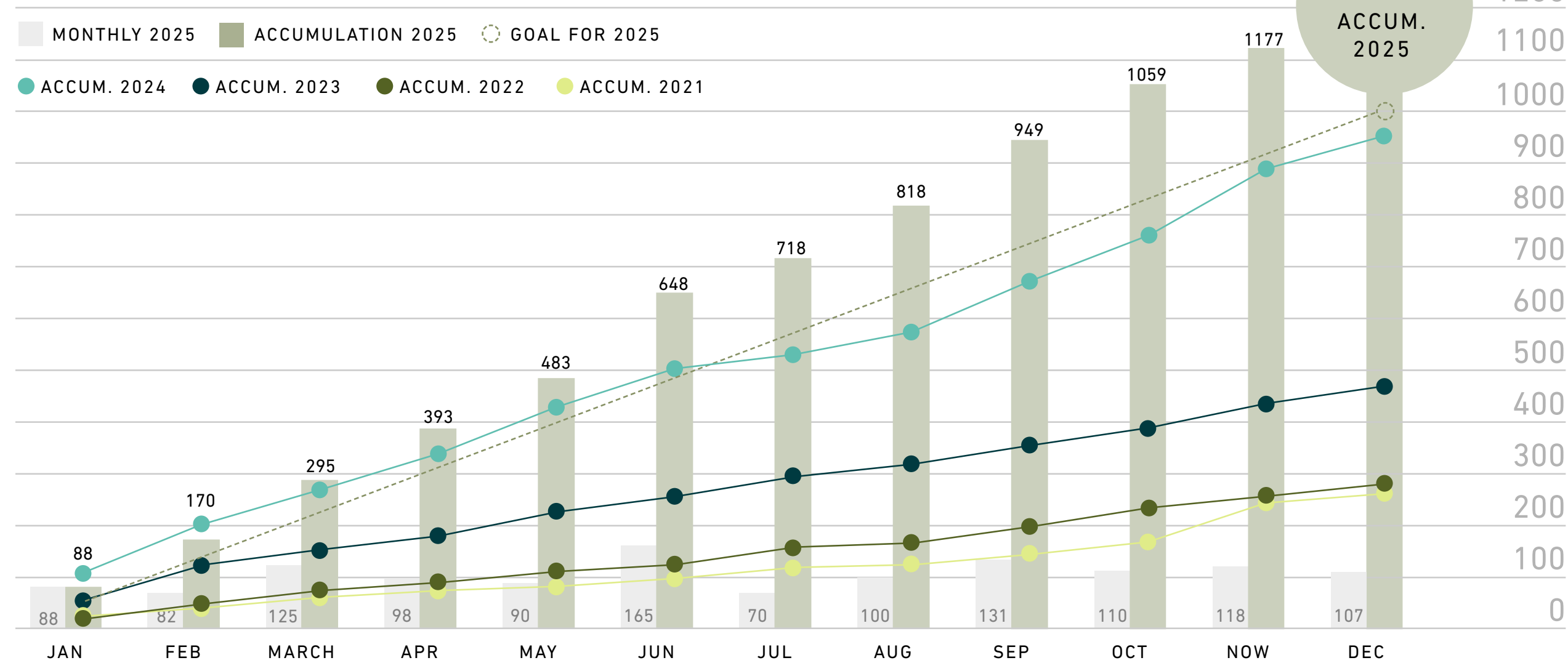
We have clear guidelines in place to prevent harassment and inappropriate behavior in our workplace. Our First Whistle whistleblowing channel allows both staff and external stakeholders to anonymously report potential misconduct or unethical behavior. Reports are handled confidentially on a third-party server, and no personal data is collected without consent.



**Key processes used at Sako for managing occupational safety risks:**

- safety observations
- chemical risk assessment
- job risk assessment
- implementation of risk assessments
- machine risk assessment monitoring
- proactive machine risk assessment

### SECURITY OBSERVATIONS – SAKO LTD



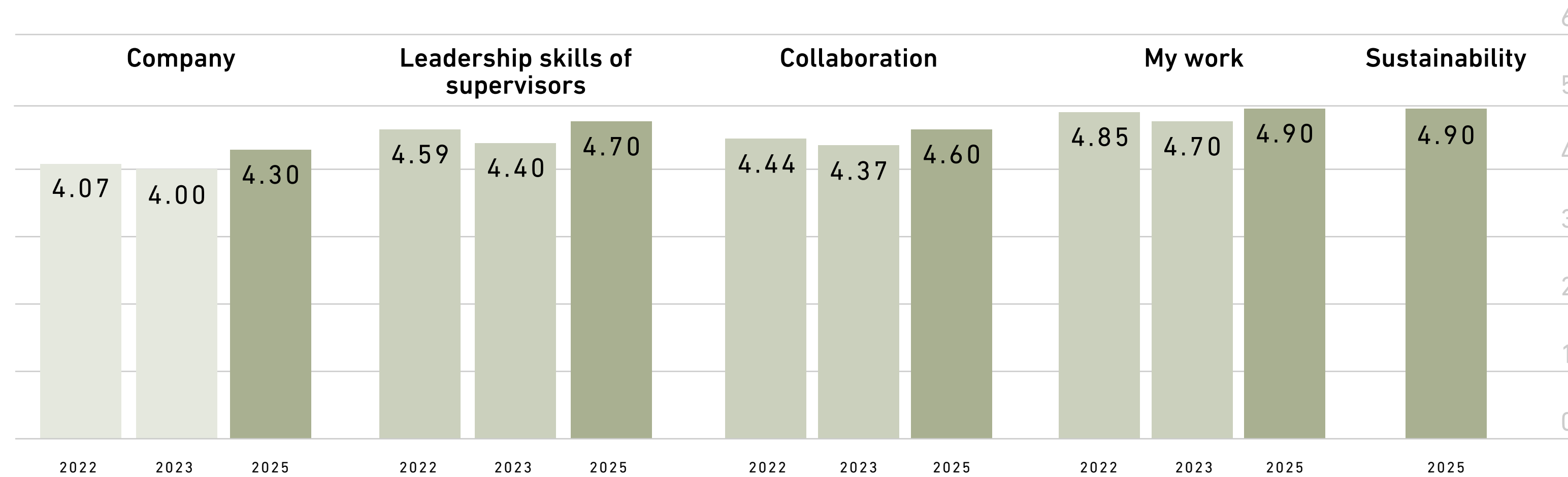
### HERE'S HOW WE ENSURE SAFETY

The mental and physical well-being of our staff is supported by the principles of occupational health and safety management (ISO 45001). The standard aims to improve employee health and safety, reduce workplace risks, and create healthier and safer working conditions.

- We have a documented occupational safety and health policy
- Safety and health are integrated into our overall management and development processes, and employees are involved in areas such as safety planning, resource allocation, and audits.
- We take measures to eliminate and control hazards and address risks, for example, in our guidelines and training programs
- Sako has a zero-tolerance policy toward bullying, harassment, and inappropriate behavior
- We pay attention to employee well-being and responsible workplace relationships



DEVELOPMENT OF KEY POINTS



KEY FIGURES FOR OCCUPATIONAL HEALTH

	2025	2024	2023	2022	2021	2020
Health Index	27.5 %	33.32 %	24.83 %	7.37 %	22.13 %	28.20 %
Sick leave days	4 216	4 154	5 069	4 933	3 695	2 870
Sick leave days per person	10.2	10.0	12.4	12.8	10.8	10.2
Musculoskeletal disorder days per person	2.3	2.9	3.2	3.0	3.8	3.1
Mental health days per person	1.4	1.1	1.7	1.6	1.5	0.8
Infections, days of absence per person	2.0	1.4	2.1	1.7	0.9	1.5
Work-related injury days	33	45	91	83	35	43

ENSURING EMPLOYEE WELL-BEING

Health and well-being

- Comprehensive occupational health services
- Regular health check-ups
- Physiotherapy services
- Work capacity assessments
- Early support discussions
- Well-being, workload, and resilience as themes in development discussions and one-to-one meetings
- Workplace surveys
- Mielen Chat pilot
- Occupational health fund; workplace fund offering statutory and additional benefits
- Noise measurements

Physical activity and well-being benefits

- EPassi benefits for sports, culture, and well-being
- Supporting break-time physical activity, e.g., wall bars and pull-up bars in the workplace
- Events: Finlandia Hiihto, Poronpolku, Riihimäki Fair

Daily workplace benefits

- lunch agreements with local restaurants

Hobby and Product Benefits

- product discounts: supporting employees' hobbies with staff purchase benefits
- Sako Shooting Club; staff have the right to borrow weapons
- Beretta clothing and accessories; opportunity to purchase Beretta products from their English online store at staff prices

## THE SAKO SPIRIT



Through organizational changes, roles have been clarified and operations have become more efficient.

– JOHANNA VARJORANTA

After years of leading HR and driving development projects at a large corporation, **Johanna Varjoranta** found something different at Sako - a real chance to shape the direction of HR and leave a lasting mark. Through determined, purposeful improvement, Johanna has already seen her mark left on several reforms.

When Johanna joined Sako in 2018, the company was smaller, and its operations followed the models typical of a smaller enterprise.

- We started by systematically addressing the basics and implementing efficient systems to streamline management, Johanna recalls.

- Through systematic planning and a lot of work, we have been able to develop our employer brand. In this work, our employees have been actively involved in clarifying and articulating who we are, where we are headed, and how we want to grow.

New operational models have been adopted on a broad scale, particularly in skills development, workplace safety, and leadership. In response to the increased demands brought by growth, the role of shift coordinators was created in production.

Daily production has become smoother, and issues are resolved more quickly on-site now that both morning and evening shifts have their own coordinators, rather than everything falling to the supervisor. The change has received a lot of positive feedback from staff, Johanna explains.

Organizational changes have clarified roles and improved efficiency. When a specific area has a designated person responsible for its development, with allocated resources, progress naturally follows.

Developing processes also brings calmness to operations. Without structured methods, the growing demand would require us to work harder and harder just to keep up.

**Determined work bears fruit**

In autumn 2025, Sako conducted a comprehensive employee survey to assess their experiences with supervision, collaboration, operational development, and the company in general. The previous survey was conducted in 2023. The results of the 2025 employee survey clearly reflect the progress made over the past couple of years.

- The overall average score saw a significant increase. Ratings for all main themes improved, especially for the supervisory work, Johanna notes with satisfaction.

We have advanced development themes and solutions based on the previous survey's feedback. This time, we again received dozens of pages of open-ended responses. We have already addressed many of the issues raised and are actively working to implement further improvements.

## Expertise development

Expertise is one of our most important competitive advantages. We have invested in job rotation and multi-expertise, enabling internal transfers to different roles for both administrative and production employees. All open positions are published on Sako's intranet for all employees to apply for. In cases where candidates are equally strong, we prioritize internal applicants. For roles where strong candidates have been identified within the company, we may open the application process internally only.



Multi-expertise ensures smooth production and coverage during absences. It also supports employee motivation as tasks expand and diversify, bringing variety and interesting challenges to their work. At the same time, it positively impacts well-being and work capacity by reducing the risks associated with repetitive work. We plan expertise development at the unit, department, and individual levels. In production, a separate expertise allowance was introduced in spring 2025. Expertise levels are assessed annually.

### Personal development

We see onboarding as a crucial part of expertise development and employee engagement. The goal of these meetings is to clarify work objectives and job descriptions, ensure sufficient expertise, work

capacity, and team functionality, and support each individual in succeeding in their role. Each employee has a personalized development plan based on the unit's, department's, and team's development plans, as well as their personal needs and career aspirations.

### Onboarding and work instructions

We see onboarding as a crucial part of expertise development and employee engagement. We have actively developed our own onboarding models and training for Sako and invested in training for onboarding instructors. Employees receive a separate onboarding allowance for onboarding tasks.

## Leadership development

At Sako, we are purposefully developing our leadership culture. The backbone and guidelines of our leadership culture is the Sako Leadership Compass, which was created with active involvement from our supervisors. Shifting decision-making closer to daily operations has streamlined our activities and increased employees' ownership of issues related to well-being and safety. Involving supervisors in development work has sparked a cultural change in the company and strengthened our shared understanding of people leadership.

### Supervisory work

Supervisors play a critical role at Sako in creating the conditions for employees to perform their work. They set the direction, goals and inspire while still encouraging and helping solve everyday problems. They support employees' professional development and growth by providing feedback, offering training, opportunities for advancement

and leading changes, helping the organization adapt and succeed in changing circumstances. Valuable training on current themes is offered annually for supervisors, tailored to their needs. In the fall of 2025, we started planning the Sako Leader-program and identified training partners.

## THE GOAL OF LEADERSHIP – PRINCIPLES

### I GIVE AND TAKE RESPONSIBILITY

I encourage independence and empower my team to execute and develop solutions; I lead by example by taking responsibility, acting in accordance with our shared values, and taking ownership of my team members' decisions as well.

### I APPRECIATE, I AM POSITIVE

I always value a person's experience, expertise, and perspectives. I understand that people are different. I give the team space to create a safe and positive atmosphere. I pay attention, listen, offer praise, and provide recognition. I give feedback and believe in personal growth.

### I AM SOLUTION-ORIENTED

Instead of focusing on problems, I focus on solutions. I look for opportunities for growth, not for someone to blame. I base my decisions on the present moment and look ahead.

### REFLECTION

I commit to stopping and evaluating my own decisions, my approach, and my leadership style. This means that I do not operate on autopilot but am mindful of my impact on the team and the organization.

## Product safety and quality

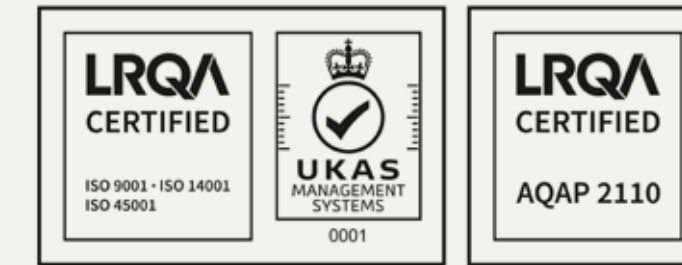
In our strictly regulated industry, extreme care is required both in manufacturing and ensuring the safety of our products. Our quality and safety mindset spans the entire product lifecycle, from product development and material selection, through partly handcrafted manufacturing, to final testing and customer communication.

Our quality system is built on strict international standards, including ISO 9001-quality management and AQAP 2110 Quality Assurance, which meets NATO requirements for defense material manufacturers. Adhering to these standards requires documented processes, continuous quality monitoring, and close collaboration with authorities.

### Ensuring compliance

Every firearm we produce is tested with high-pressure cartridges, and operational reliability and accuracy are verified through test shooting by our staff. Our products also undergo rigorous durability tests, including exposure to extreme weather conditions and mechanical stress. As a manufacturer of both rifles and ammunition, we can test our products comprehensively and use the insights gained from test shooting to continuously improve product quality.

Products intended for the use of authorities are designed in close collaboration with customers, considering their specific requirements and standards. In long-term projects for authorities, the role of instruction manuals, training, ongoing support, and services to extend product lifecycles is particularly important.



These standards cover Sako's Riihimäki, Hausjärvi and Muurame sites.

**ISO 9001** – This standard specifies requirements for quality management systems. Applying the standard increases confidence in the quality of products and services and in the meeting of customer expectations. A quality management system covers all the functions, processes, and resources an organization needs to achieve its objectives..

**ISO 14001** – Environmental management system. Provides a framework that enables an organization to reduce its environmental impact, comply with legal requirements, and improve its environmental performance. Promotes environmental sustainability and awareness.

**ISO 45001** – Occupational Health and Safety Management. The standard aims to improve employee health and safety, reduce workplace risks, and create healthier and safer working conditions.

**AQAP 2110 Edition D version 1.** AQAP = Allied Quality Assurance Publication, a NATO quality assurance publication. Quality assurance requirements for defense equipment suppliers are built upon the ISO 9001 quality management system and thus impose additional requirements on it. Under the AQAP-compliant operating model, the buyer receives information throughout the procurement process regarding the supplier's operations (including risk management, subcontractors, processes and methods, as well as problem prevention and resolution).

**Quality and process development**

We closely monitor daily production quality deviations using precise operating models and metrics. In addition to tracking the number and percentage of rejected parts, we always document the reasons for rejection to analyze the data and determine necessary improvement measures for process enhancement and product quality assurance.

In spring 2025, we launched the “Sujuva Toiminta” development project to improve process efficiency, transparency, and manageability across the organization. This project ensures that our operating practices evolve with the company and support growth in the future. In the first phase, we mapped our core processes in collaboration with staff through workshops and interviews. In the second phase, which began in October, we shifted to a project-based approach for selected development areas. Each project has its own dedicated project manager, and progress is monitored and supported through weekly follow-up meetings and monthly steering group sessions.

In response to the changing demands of a growing company, we introduced the role of shift supervisors in 2025. This change has streamlined production operations and lightened the workload of foremen, as each morning and evening shift has its own supervisor to address issues on the spot.

**Quality in the supply chain**

The high-quality standards we set for our products require strong quality management throughout the supply chain — not just in the materials or components we purchase, but in the overall quality practices of our partners.

We engage in long-term collaboration with carefully selected suppliers whose quality mindset aligns with our own. We monitor quality through audits of suppliers' processes and by tracking the quality and accuracy of deliveries.

In 2025, we prepared several development steps to enhance supply chain management. We drafted Sako's Supplier Code of Conduct, which

defines requirements for suppliers and their value chains in areas such as working conditions, environmental impact, and governance. We also began integrating supply chain management, supplier data sharing, and partner communication into the Jakamo collaboration platform. Both tools will be fully implemented in the first half of 2026.

To further develop quality management in the supply chain, we established the role of quality manager in 2025, with the primary responsibility of strengthening and improving collaboration with subcontractors.



## Corporate citizenship and collaboration with authorities

The manufacture of firearms and ammunition is a licensed and regulated activity, so collaboration with authorities is a critical part of our operations. Another key aspect of regulatory collaboration is our role in maintaining Finland's defense capability as a manufacturer of necessary equipment.

We report all our manufactured products and components to the police department and apply for official approval for each product line. In addition to Finland, we supply products to authorities in over fifty countries, which requires continuous application for export licenses from the ministry for foreign affairs, the police department, and the ministry of defense.

Export licenses for defense materiel valued at over one million euros are always handled by the Finnish government.

In government-to-government sales, projects are long-term and solutions are always developed in collaboration with the customer according to their needs. Each project includes extensive training related

to both operation and maintenance, and partnerships are committed to for long periods to ensure the operational readiness and longevity of the delivered system.

### Financial impact

From a financial perspective, we are a significant exporter of high-value-added products – which is about 97 % of our rifle production is exported. We employ over 400 people regionally, and we annually procure components worth approximately €50 million primarily from Finnish subcontractors. Over the past three years, we have invested €40 million in developing our production technology and facilities.



We also actively collaborate with our subcontracting network on product development and invest in research collaboration with Finnish universities and research institutes. Our goal in developing new technological solutions through research collaboration is to elevate Finnish expertise more broadly than just in Sako's product and production technology.

#### Data security

Data security is critical in our collaboration with authorities and in handling confidential information to ensure operational reliability. We

have extensive data security measures in place, and our systems are regularly tested both digitally and physically by external experts.

#### Stakeholder collaboration

We also collaborate with other societal actors, such as the Finnish Hunters' Association and the Finnish Shooting Sport Federation. Through active and open dialogue with all our stakeholders, we aim to ensure that our operations meet the expectations of society and our customers.

### VALUE-BASED PARTNERS

- Finnish Hunters' Association
- SAL – Finnish Shooting Sport Federation
- Rocky Mountain Elk Foundation
- AFEMS (Association of European Manufacturers of Sporting Ammunition)
- IEACS (Institut Europeen des Armes de Chasse et de Sport)
- CIC (International Council for Game and Wildlife Conservation)
- PIA ry (Finnish Aviation and Defence Industry Association)





# GOOD GOVERNANCE

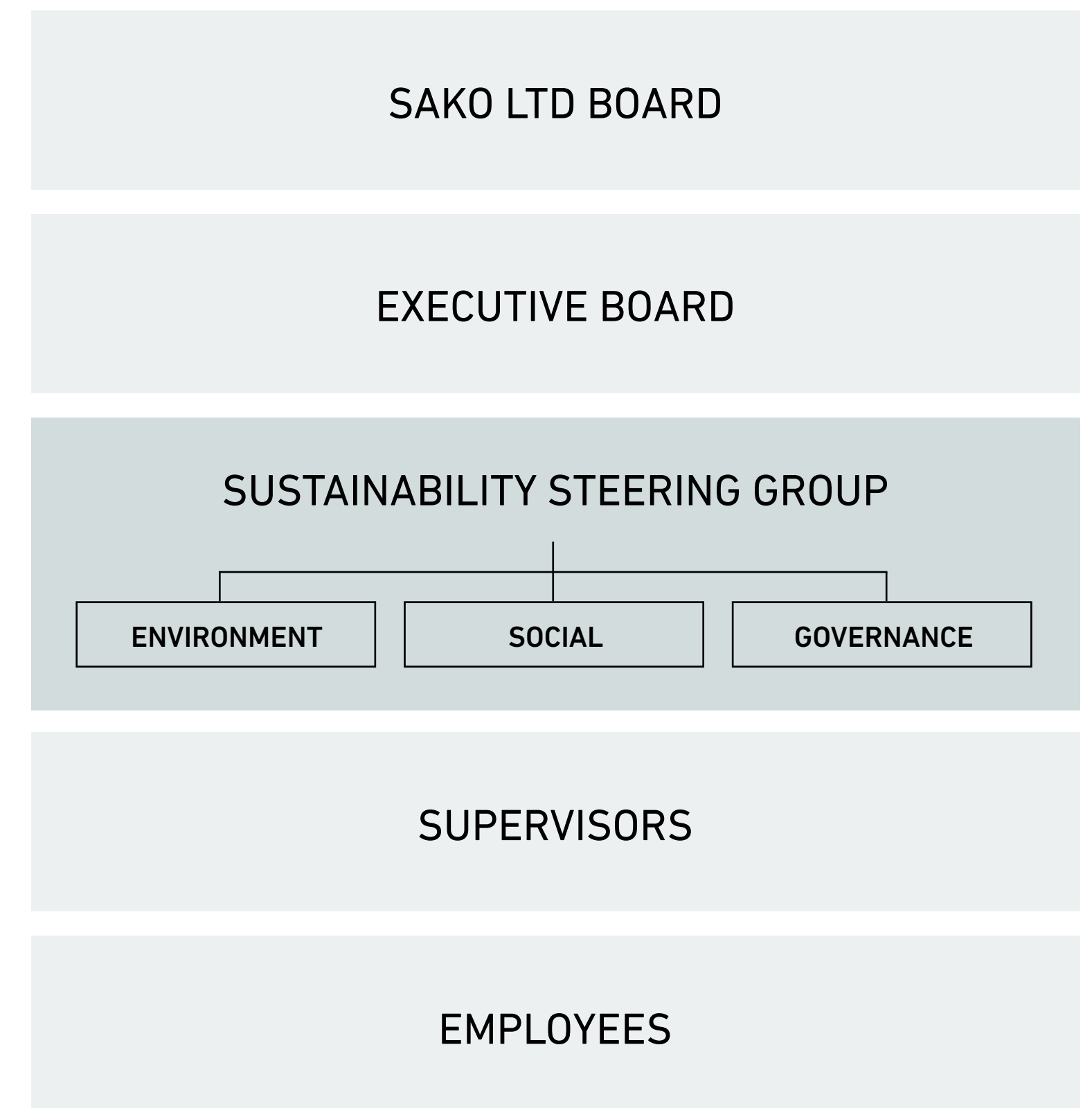
- 44 Our values
- 46 Ethical operating principles and legal compliance

# GOOD GOVERNANCE - Structures that support trustworthiness

We are committed to acting ethically, honestly, and transparently across all areas of our business. Sustainability is one of Sako's strategic themes in our 2024–2027 roadmap, and our sustainability work is guided by clear objectives and practical operating models that shape our actions.

With the organizational restructuring that took effect in spring 2025, our sustainability efforts are now led by a dedicated HR, Communications, and Sustainability unit. In our updated sustainability governance model, the Board of Directors approves our strategic guidelines, the Executive Team sets concrete goals and guides our practical implementation, and the Sustainability Working Group ensures that our themes are embedded throughout the organization. Every employee plays a vital role in turning these plans into action in their daily work.

We expect all our suppliers, subcontractors, distributors, retailers, and other actors in our value chain to operate in accordance with the highest standards of quality and integrity, and to honor the commitments they have made to us in their practices.



## Our values



Our company culture is built on the values we have defined together, which guide our daily decision-making and serve as the foundation for our sustainability efforts.



**PASSION:** We have a strong desire to develop our operations, with our heart and professionalism.



**OPENNESS:** We maintain an open flow of information and encourage interaction.



**INTEGRITY:** We work in harmony, respecting each other. We always look at the big picture.



**COMMITMENT:** We honor the agreed decisions and rules of engagement and act accordingly.

## ACTIONS BEHIND WORDS



They say that sustainability is a journey—Sako welcomes everyone to join us on ours!

– NIINA SAARI

With a long background in marketing communications at Sako, **Niina Saari** has progressed from product marketing to corporate communications and branding and, in recent years, also to corporate sustainability. For Niina, brand, communication, and sustainability are intrinsically linked.

Environmental and social sustainability, as well as good governance practices, are a critical part of modern organizational business strategies and competitiveness. ESG themes are increasingly central to building both corporate and employer brands.

- Sako's brand is trusted – and we want to be worthy of that trust, especially from a sustainability perspective.

Over the last couple of years, Sako has laid the groundwork for consistent sustainability development. The work has progressed by aligning with international standards and frameworks, engaging stakeholders, identifying key impacts, and refining practices and operational processes. In 2025, the plans took concrete shape in many areas and began to reflect in daily operations.

- In the spring, the executive team approved a sustainability strategy that provided clear direction for our efforts. Defining the governance structure for sustainability clarified responsibilities and streamlined both operations and communication.

#### Communication accelerates sustainability work

Thanks to thorough groundwork, Sako's business impact has become clearer along with the risks and opportunities related to ESG issues which has made it easier to communicate about sustainability themes.

- We've highlighted sustainability themes in internal communications, involved staff in development, and produced two internal sustainability reports.

- When there's a clear rationale behind large-scale operational reforms, change is easier to internalize. Seeing the bigger picture

also helps employees understand their roles better and enhances the meaningfulness of their work, as Niina emphasizes.

From an external communication perspective, this is Sako's first public sustainability report.

- At the same time, we've added sustainability content to our website and launched a series of ESG-themed publications on Sako's LinkedIn profile.

- They say that sustainability is a journey—Sako welcomes everyone to join us on ours!

## Ethical principles and compliance with laws

Our Code of Conduct serves as the ethical compass for our business, outlining the values, principles, and practices that define our operations. The guidelines cover, among other things, anti-bribery and anti-corruption measures, working with third parties, conflict-of-interest management, fair competition, export control, and data protection principles.

Operating in a strictly regulated and licensed industry sets high ethical standards for our business. We strictly adhere to all national and international laws and regulations in our operations, including export control legislation, competition law, and GDPR data protection requirements.

### Preventing corruption and bribery

We maintain a zero-tolerance policy toward bribery and corruption. Under no circumstances or for any purpose do we accept the offering, promise, or receiving gifts or bribes. All forms of recognition that exceed reasonable value or the thresholds defined in our internal guidelines must be reported and approved by a supervisor.

### Relationships with suppliers

Our supply chain plays a central role in achieving our sustainability goals. We aim to build long-term supplier relationships that foster continuous improvement and shared growth, supporting our sustainable development strategy. Most of our partners are based in Finland, with steel suppliers from Europe. In projects for authorities and the defense industry, transparency requirements are particularly stringent, and audits may extend to ownership backgrounds.

We expect all our suppliers to share our commitment to sustainability. To formalize this, we developed our Supplier Code of Conduct in 2025, which outlined our expectations regarding human rights, workplace safety, environmental protection, and legal compliance. The Supplier Code of Conduct will be fully implemented in early 2026.

### Whistleblowing channel

Our confidential whistleblowing channel allows both our employees and external stakeholders to safely and anonymously report suspected misconduct or ethical violations. Cases reported through this channel are investigated independently. The system includes clear processes to protect whistleblowers from retaliation or negative consequences.

### Our Whistleblowing channel

Links to our reporting channel are available for staff on our intranet and for stakeholders on our website:

[www.sakosuomi.fi/ota-yhteytta](http://www.sakosuomi.fi/ota-yhteytta)

[www.sako.global/company](http://www.sako.global/company)

GO TO WHISTLEBLOWING CHANNEL >

# FUTURE OUTLOOK AND GOALS

## OUR SUSTAINABILITY

In 2025, we made significant strides in advancing our social, governance, and environmental sustainability efforts. Careful preparation clarified our direction and began to take shape across multiple areas. The processes, operating models, and information systems we are now implementing will bear fruit in the future as part of our daily operations.

Our 2024–2027 roadmap includes numerous strategic development targets related to products, processes, technology, employee well-being, and skills—all with sustainability considerations in mind.

We improved the quality of the data used for our 2025 greenhouse gas emissions calculation, leading to a more accurate picture of where we need to focus next in our climate efforts. In 2026, we will continue to enhance our reporting and develop a clear emissions reduction plan.

Concrete steps on our reduction path include transitioning to fossil-free energy from the start of 2026 and replacing lighting in our component factory and warehouse with LEDs. Looking further ahead,

## WHAT'S NEXT?

we are participating in the Technology Industries of Finland's energy efficiency agreement for 2026–2035, which aims for a 10 % reduction by the end of 2035. We achieved the previous agreement's reduction target ahead of schedule.

A visible milestone is the new over 500-square-meter building at our Riihimäki factory site, set to open in summer 2026. The 80-seat staff restaurant significantly improves our employees' opportunities to interact with their colleagues and serves shift workers better as well.

In terms of sustainability reporting, we closely monitor regulatory developments and ensure we are prepared to expand our reporting as needed to meet future requirements.