Blumer Lehmann

2023 Sustainability Report

Facts and figures

from the 2023 Sustainability Report

Energy generation 47 GWh of heat energy and 6 GWh of electrical energy from the in-house biomass power plant	**Fossil-fuel emissions** 611 t CO_2e direct emissions and 241 t CO_2e indirect emissions	**Biogenic emissions** 42,197 t CO_2e from biomass combustion
Energy consumption 49 GWh of heat energy and 13 GWh of electrical energy at all locations	Production of wood products that store a total of 73,600 t CO_2e over the long term	800 m² roof area let to third parties to generate 125,000 kWh of solar power
Round timber from an average distance of 100 km 83 % from Switzerland, 16 % from Germany, 1 % from Austria	Employees completed 4,612 hours of further training	26 apprentices trained

Action categories & objectives

Reduced energy and CO_2 emissions
We want to make our production even more climate friendly.

Circularity and waste prevention
We want to produce with as little waste as possible and manufacture recyclable buildings and products

People and social commitment
We want competent and healthy employees – today and in the future.

Supply chain
We want to know our supply chains in detail.

07/2025

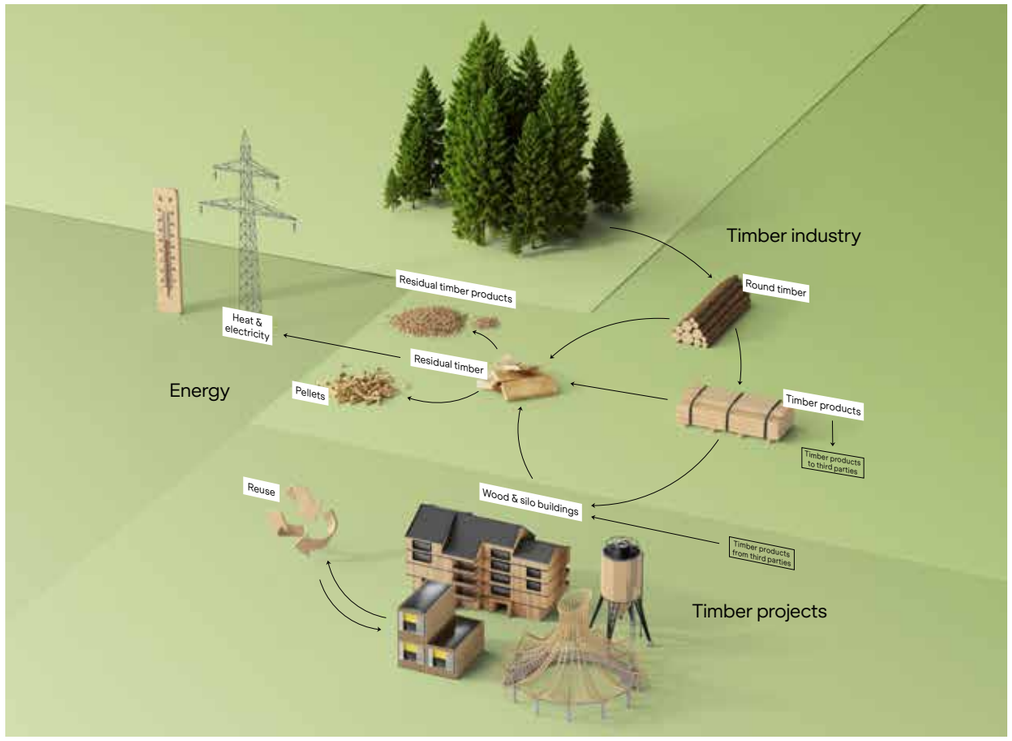
Blumer Lehmann

1.1 The complete timber life cycle

As a leading timber construction company, Blumer Lehmann harnesses the potential of timber in all its facets and works to advance timber engineering internationally. More than 500 employees work at the headquarters in Gossau, St.Gallen, at the locations in Switzerland, Germany, Austria and Luxembourg, and on assignments around the world on a wide variety of customer projects.

A fascination with wood has defined how we think and act as a business since 1875. Blumer Lehmann processes the natural raw material that is wood into innovative products, services and structures in an almost complete cycle of sustainable value creation. Each year in our sawing, planing and finger-jointing facilities, we turn 170,000 m³ of Swiss round timber into an extensive range of sawn timber products for the construction industry. The residual timber is processed into animal litter and sustainable pellets and used as an energy source for our own power plant to generate electricity and heat. In the

More information about what we do



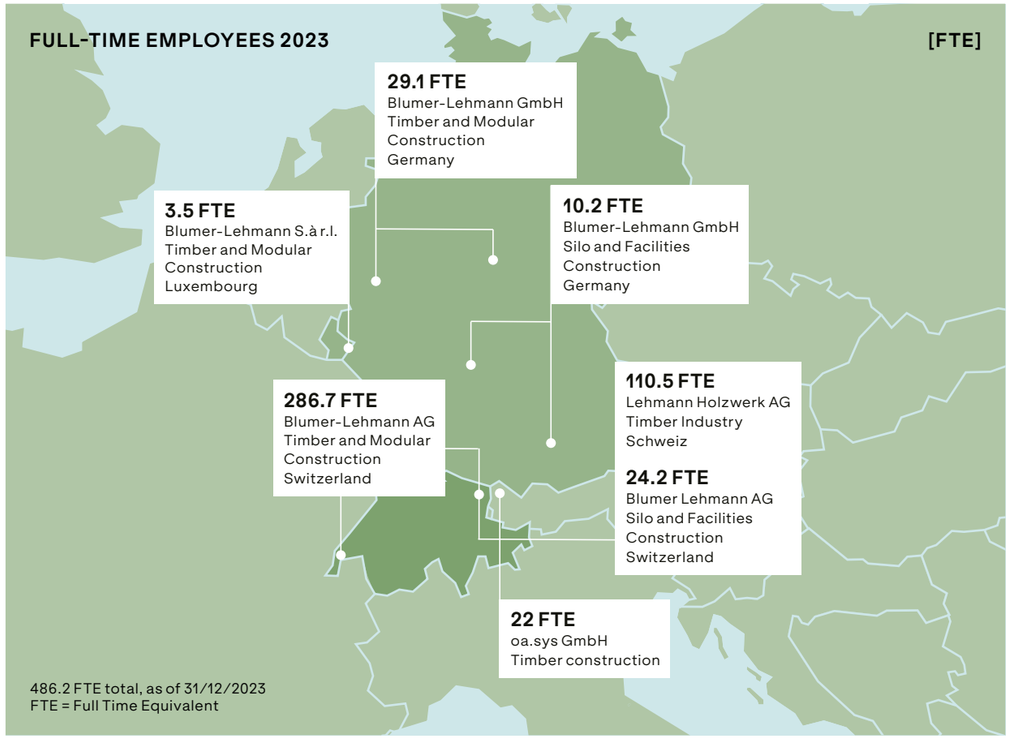
Timber Construction division, Blumer Lehmann develops, plans, produces and delivers new builds – including Free Form projects in collaboration with world-renowned architecture firms – as well as conversions, additional storeys and renovations. Furthermore, the company plans and manufactures modular timber structures for schools, businesses and residential areas that offer maximum flexibility, even when space is limited. Blumer Lehmann also specialises in silos and facilities for winter road services across Europe – automated and equipped with modern conveyor technology.

Since 1 January 2023, oa.sys baut GmbH of Vorarlberg has been part of the Blumer Lehmann group of companies. The timber construction company complements the portfolio with services for large-scale residential and commercial construction in Austria and Germany.

Open positions at Blumer Lehmann

Company locations and employees

Today, Blumer Lehmann employs some 500 people dedicated to tapping the full potential of timber. They work as carpenters, timber construction technicians, timber industry specialists and timber construction engineers, in timber construction project management and construction site management, as architects and in production, logistics, assembly and maintenance. They also work in sales and in core service functions such as human resources, marketing, finance and technology.



1.2 Vision and mission statement

Vision

As a world-leading timber engineering firm, Blumer Lehmann develops innovative buildings, products and services, unlocking new potential for timber as a building material with forward-thinking construction processes and a circular-economy approach.

Mission statement

We use timber and tap into its potential as a material
Everything we do in our business activities and corporate development is driven by a fascination with our material and innovation along the entire timber value chain.

We aim to explore the limits of what's possible when working with timber by applying new technologies, creating new ones where necessary, and defining and optimising appropriate processes, products and services.

We recognise the market and its potential
Recognisable demand and added value for our customers are at the very heart of all the services we provide. We work with them in equal partnerships, incorporating our expertise into every step of the service provision process.

We nurture people and their potential
We actively harness people's talents in and around our company to forge ahead with our products, services and processes. Individual skills and collective knowledge are nurtured and expanded through our targeted training and development opportunities.

We take a multidimensional view of our potential
We take the three dimensions of sustainable development into account in every single one of our business decisions. These dimensions include economic efficiency, social responsibility and environmental impact.

Our company's long-term security is a key aspect of our financial, staffing and technological decisions. We measure everything we do against qualitative and quantitative benchmarks and promote independent thinking and action.

'We unlock timber's potential, because everything we do is driven by a fascination with our material and the innovation happening along the entire timber value chain.'

Katharina Lehmann, CEO of Blumer Lehmann | Owner

1.3 Sustainability at Blumer Lehmann

Sustainability – for us, this means that we remain equally mindful of economic, social and environmental criteria in all the decisions we make. In doing so, we create lasting value and prospects for the future.

Sustainability has been central to operations at Blumer Lehmann for many years. We take the three dimensions of sustainable development into account in every single one of our business decisions. Today, we're already thinking of tomorrow – whether in how we use our resources or how we deal with our employees and investments.

By opting to use timber as our raw material and our construction material, we define clear goals and actions across the entire value chain. Different aspects of sustainability are important to us.

Environmental responsibility

We process the sustainable resource of wood and pursue a no-waste strategy through our timber life cycle. The procured round timber is processed into valuable sawn timber. We then process the by-products into other products or use them to generate renewable energy that we use for our own production. We use timber and other construction materials in a resource-conserving manner. With the raw material and our expertise, we manufacture energy-efficient, flexible and sustainable buildings that save resources during their use. We use wood as a sustainable raw material in innovative ways, even in previously unfamiliar locations. In turn, we reduce the use of less sustainable materials. We continually optimise our operations and our products in order to reduce carbon emissions and resource consumption. At the same time, we also invest in the circularity of our timber constructions.

Social responsibility

We recognise and appreciate the importance of our employees as the foundation of our success. That's why we want to keep our current and future employees in top shape. We train apprentices in various professions. The number of jobs in our companies has increased continually over the last few years. We now enable more than 550 employees to develop and expand their expertise and realise their potential, investing in their further training, health and safety. We also support charitable projects related to sports, culture and social welfare.

Economic responsibility

We always take our customers' needs into account. We aim to create value that will stand the test of time by striking a balance between security and opportunity. We strive to achieve excellence. To this end, we cultivate a corporate culture with space for personal initiative and creativity.

1.4 Corporate structure and divisions

Organisational chart

In its Timber Construction, Timber Industry, and Silo and Facilities Construction divisions, the Blumer Lehmann group of companies offers comprehensive timber expertise. Operating subsidiaries in Switzerland and abroad function under the umbrella of Blumer Lehmann Holding AG: Lehmann Holzwerk AG in Gossau, Switzerland; Blumer-Lehmann AG and the national subsidiaries Blumer-Lehmann GmbH in Klosterlechfeld, Germany, Blumer-Lehmann S.à r.l. in Luxembourg and, since 2023, oa.sys baut GmbH in Alberschwende, Austria and Weissenberg, Germany.

Blumer Lehmann plans, produces and builds timber constructions in a variety of ways: visionary Free Form projects, traditional new buildings, conversions and refurbishments, as well as school buildings, hotels, residential and commercial buildings using time-optimised and cost-effective modular construction methods.

The Blumer Lehmann Timber Industry division processes some 170,000 m³ of round timber from forests within an average radius of 100 km into a wide range of sawn timber products in its own sawmill every year. Any residual timber is processed into pellets or used as fuel in our in-house wood power plant to generate heat and energy.

In the Silo and Facilities Construction division, Blumer Lehmann develops, plans, produces and assembles complete solutions for winter road services. We implement and maintain automated silos and complete winter road service systems equipped with state-of-the-art conveyor technology throughout Europe.

Divisions

Whether it's an extraordinary timber construction project, sustainable energy supply concept, innovative timber product or silo facility built to last– Blumer Lehmann combines expertise with passion.

Timber construction
With technically and aesthetically inspiring Free Form structures, maximally prefabricated modular buildings and individually planned timber buildings, we are shaping the future and creating comfortable and aesthetically inspiring spaces.

LEISTUNGEN

- Development of static and structural timber construction concepts for the acquisition and execution phases
- Client consulting
- Preparation of tender documentation
- Production and assembly of timber structures
- Project management and technical planning of timber construction, including coordination of specialist planners and partners
- Coordination of subcontractors
- On request: our services in an all-in-one package as GC or FSC

Timber Industry
In our Timber Industry division, we produce a wide range of timber products. We process all parts of the residual timber into litter for small animals, pellets or fuel for heat and energy.

PRODUCTS

- Balcony and terrace railings
- Timber for construction and industrial engineering
- Floor strips
- Facades and cladding
- Planed and profiled products
- Finger-jointed slats, profiled boards and facades
- Laminated timber
- Profiled boards
- Rough-planed timber
- Raw lumber
- Full range of slats
- Packaging wood
- Pellets and litter for small animals

SERVICES

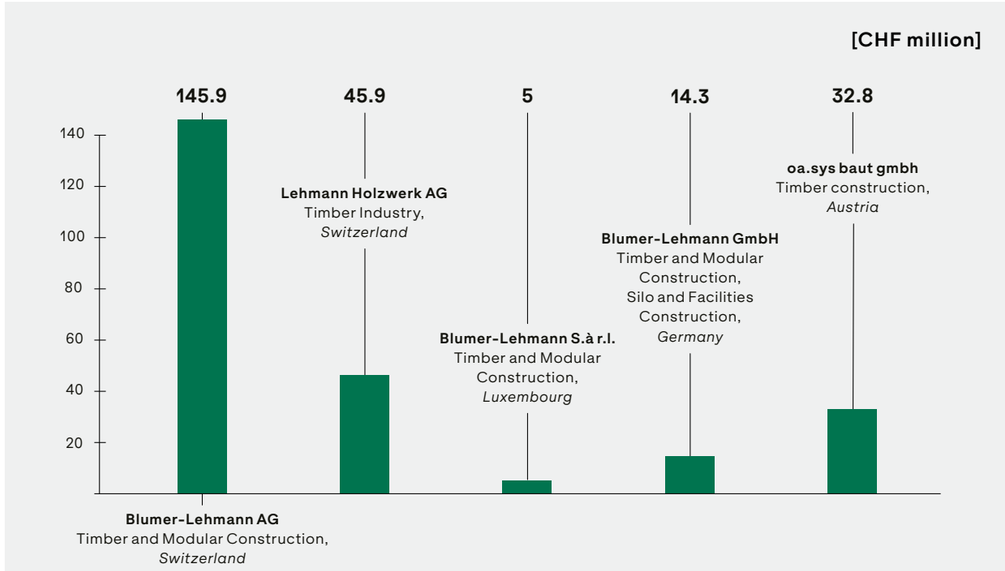
- Technical consultation and planning
- Warehousing and logistics
- Surface treatments as required

Silo and Facilities Construction
Our silos and facilities offer custom solutions for any gritting materials or bulk solids, in particular for winter road services – from low-volume municipal silos to fully automated winter services hubs as an all-in-one solution.

PRODUCTS AND SERVICES

- Wooden silos from 5 to 1,000 m³ for various gritting materials
- Mobile timber silos for town and municipal systems
- Modular silos with custom designs
- Grit storage depots and large-scale salt stores
- Brine facilities, brine producers and brine technology
- High-performance conveyor systems
- Glass-reinforced plastic silos (GRP silos) from 30 to 250 m³
- Cutting-edge controls, automation and data processing
- Precise measuring and weighing systems
- Service and maintenance as well as renovation and modernisation of silos and brine facilities

Sales in 2023



1.5 Subsidiaries and investments

Kompotoi AG

Kompotoi is a young company that develops, rents and sells mobile ecological sanitary facilities. This allows mobile chemical toilets to be replaced. Blumer Lehmann holds a 10 % stake in the company. Environmentally friendly wooden toilets are also produced at the Gossau site.

Verein Lattich

The Verein Lattich association is committed to the sensible interim use of the brownfield site at the freight depot in St.Gallen. The forty-five timber modules will provide space for small businesses in the creative industries over the next ten to fifteen years. Blumer Lehmann holds a 10 % stake in the association.

Sustainability management

2.1 Implementation of sustainability

We have made our environmental and social responsibility an integral part of our corporate strategy. All divisions and their employees are actively involved in ensuring compliance with our sustainability criteria. Responsibility for and coordination of all sustainability tasks is located at the top management level. The sustainability officer is responsible for implementation. They document, coordinate and evaluate data that makes sustainability at Blumer Lehmann a measurable quantity. As part of that effort, they maintain regular contact with the responsible department heads and work with them to identify areas and ways in which sustainable governance can be improved.

2.2 Double materiality analysis

With our first double materiality analysis, we were able to identify impacts, risks and opportunities that are arising – or could arise – both externally on our company and externally through our company. This resulted in the following key issues for us:

	We have a significant positive impact on:	We have a significant negative impact on:	Opportunities	Risks
ENVIRONMENT	Climate change through increasing carbon sequestration in products, maintaining CO_2 forest storage and providing renewable energy Resource use through the production of recyclable products from renewable raw materials and the use of wood exclusively from legal and sustainable forestry	Climate change through emissions caused by transport, business travel, the purchase of non-renewable energies and the use of less climate-friendly products Resource use through the use of fossil-based primary and secondary packaging in some cases and the generation of waste during production	Climate change through changes in the market and further sales opportunities	Climate change through a change in the supply of raw materials
SOCIAL	Our own workforce through offerings and services provided by the Blumer Lehmann Academy	Our own workforce through a shortage of skilled workers and increasing heat during physical work outdoors	Customers through demographic change increasing the demand for residential and school/nursery space	Customers through economic changes, construction budgets may be reduced and demand patterns altered
GOVERNANCE	Management of relationships with suppliers through long-term relationships, we benefit from secure, trusting supply chains		Products & services through innovative, resource-conserving product developments and services as well as clear supply chains – safeguarding the company for the long term Energy through a self-sufficient energy supply	

2.3 Areas of action in our sustainability strategy

Climate protection

Objective: reducing CO_2 emissions, increasing energy efficiency and strengthening the CO_2 sequestration function

Reducing CO_2 emissions
- Gradually replace existing combustion vehicles with vehicles powered by renewable energies
- Optimise transport by using less air freight
- Ensure climate-friendly employee commuting
- Gradually replace climate-intensive construction materials and packaging with climate-friendly alternatives

Energy efficiency and renewable energies
- Increase the use of renewable energies to enhance energy self-sufficiency and energy efficiency in production processes

Carbon sequestration
- Increase forest storage: renew old trees and make room for young trees that can absorb CO_2
- Increase carbon sequestration in products by manufacturing timber products in the sawmill and using them over the long term

Conservation of resources and sustainable forestry

Objective: preserving forests and using timber and building materials more efficiently

Sustainable forestry
- Support forest management through the use of wood

Efficient use of resources
- Increase log yield and reduce the amount of timber required in timber construction. Use wood more efficiently thanks to innovative, newly developed products.
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Reducing waste, increasing circularity
- Implement full, waste-free log usage
- Find ways to reuse panel offcuts (particularly gypsum fibreboard)
- Insulate timber elements without waste
- Promote the reuse of modules, components and elements

Social responsibility

Objective: creating secure and sustainable conditions for employees, customers and suppliers

Health management
- Make the working conditions for physical work in extreme heat more manageable

Education and training
- Expand the employee support and development offered by the Blumer Lehmann Academy

Sustainable construction solutions for nurseries and schools
- Offer swift, efficient solutions for the construction of nurseries and schools in order to meet urgent needs in the long term

Long-term supplier and customer relationships
- To ensure stable supply chains, investment will continue to be made in long-term and secure relationships with suppliers and other partners

Corporate management/ governance

Objective: strengthening sustainable corporate governance

Code of conduct
- Introduce a code of conduct that obliges all employees and suppliers to act in an ethical, socially responsible and environmentally responsible manner

Corporate culture
- Continue to invest in the corporate culture to ensure it remains intact, even if the proportion of temporary staff increases

Supply chain management
- The expansion of supply chain management is intended to ensure the traceability of products and thus ensure that suppliers meet the required sustainability criteria

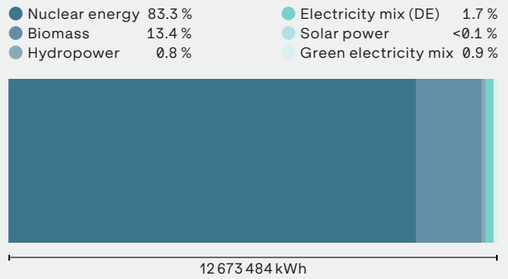
Reputation management
- Provide information about the importance of wood use for climate protection and forest conservation, and thus avoid reputational issues

Environmental sustainability

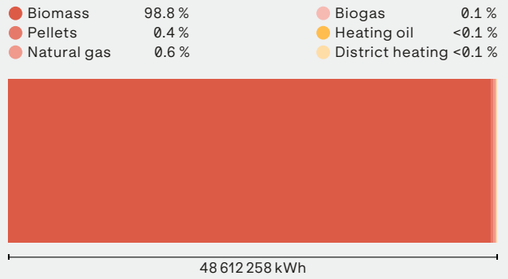
3.1 Climate change

Energy

ENERGY COMPOSITION 2023 ELECTRICITY



ENERGY COMPOSITION 2023 HEATING



PROPORTIONS OF ENERGY CONSUMED BY LOCATION 2023

Location	Electricity in %	Heat in %
Gossau (Erlenhof, Bischofsz. Str.)	96.63 %	98.14 %
Schwarzenbach	0.80 %	0.65 %
Gland	0.02 %	0.01 %
Alberschwende	0.84 %	0.58 %
Großenlüder	1.40 %	0.44 %
Klosterlechfeld	0.05 %	0.10 %
Grafschaft	0.24 %	0.06 %
Grevenmacher	0.01 %	0.02 %

The Swiss headquarters, Erlenhof in Gossau SG, consume more energy than any other location. This is where the energy-intensive processes take place – sawing, drying and planing the sawn timber and manufacturing the pellets. Accordingly, the types of energy procured or consumed at Erlenhof dominate at the overarching operational level. In the case of electricity, 85 % is nuclear energy and 13 % self-generated electricity from the company's own biomass power plant (see below). The remaining 2 % is distributed amongst the other locations and is made up of pure hydroelectric power or a mix of renewable and non-renewable energies. 99 % of the heat is generated from wood chips, while 0.5 % comes from other renewable energy sources such as pellets and biogas. The remaining 0.5 % comes from non-renewable energy sources – natural gas and heating oil.

IN-HOUSE BIOMASS POWER PLANT
At the in-house biomass power plant at the Erlenhof headquarters in Gossau, Blumer Lehmann generates electricity and heat energy from the residual timber. All of the heat energy (47 GWh) is used on the company's own site. We use it to heat our drying chambers, utilise the thermal energy for drying residual timber and heat the production halls and offices with it during the winter months. Unlike in 2022, 23 % of the electricity (6 GWh) generated as a by-product from the ORC plant was used internally, with the remaining 77 % fed back into the public grid.

Fuel consumption

We classify our vehicles in three categories:
- Production vehicles such as forklifts, lifts, wheel loaders and tractors used at the various locations.
- Construction site or delivery vehicles used to travel to construction sites or supply our customers. These include vans, panel vans and lorries.
- Passenger cars used for all other trips. The pool vehicles are also available to employees for external and personal trips.

The vehicles from the Timber Industry division are the source of the highest consumption in the production category due to their logistics and storage activities around the sawmill. The Timber Construction division has the highest consumption for construction site vehicles due to daily trips to the construction sites with material and personnel. The Timber Industry division is also a source of fuel consumption in this category, due to the delivery of sawn timber products to customers. Most of the vehicle kilometres were covered by Timber Construction. Employees from sales, project and construction site management have access to 47 cars across the company, including 34 vehicles for Timber Construction. These are used for trips to sales and planning meetings or to construction sites, customers and suppliers.

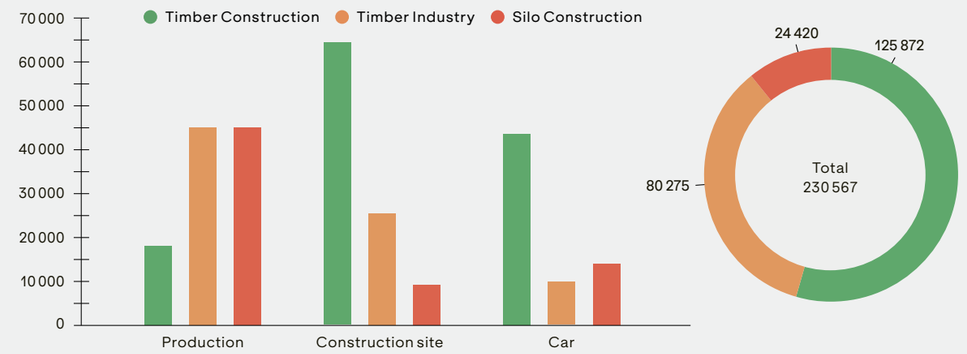
Fuel consumption at the main site in Erlenhof was recorded back in 2022, meaning that initial comparisons can be made (see graphic). In the Timber and Silo Construction divisions, the fluctuations are primarily due to the size and number of projects. In the Timber Industry division, the lower consumption in 2023 is linked to a lower project volume.

Provision of renewable energies

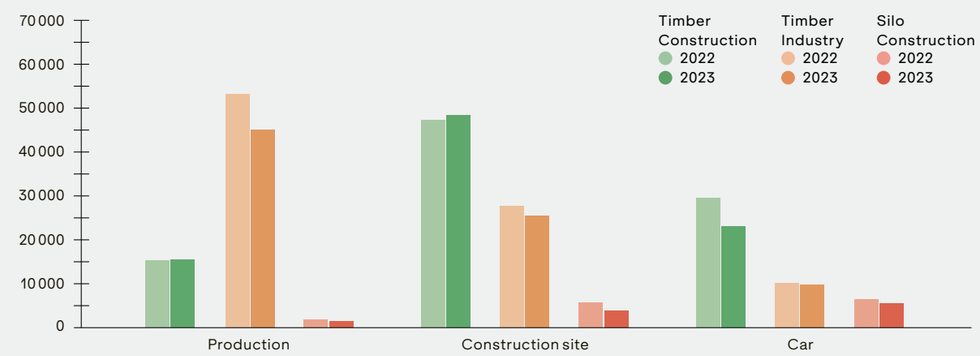
At our in-house biomass power plant, we produce renewable energy every day from the residual timber that we cannot recycle. In 2023, this generated 47 GWh of heat energy and 6 GWh of electricity. We use 100 % of the heat energy generated on site. In terms of electricity, we used only 23 % ourselves. We were able to feed the remaining 4.6 GWh of electricity into the public grid, supplying around 1,000 households in Gossau and the surrounding area with renewable energy.

In addition, we made 800 m² of roof space available at Erlenhof for the installation of a third-party PV system that generates around 125,000 kWh of electricity per year.

FUEL CONSUMPTION IN 2023 [litres]



FUEL CONSUMPTION COMPARISON, ERLENHOF 2022/2023 [litres]



GHG footprint

GHG emissions – Scope 1 & 2
We have been calculating our carbon footprint at company level in accordance with the Greenhouse Gas Protocol GHG since the 2022 financial year. Emissions from the direct combustion of fuels, Scope 1, are divided into fossil and biogenic emissions. At Blumer Lehmann, fossil emissions are caused by the combustion of fuels in the company's own fleet as well as by minor leaks from air conditioning systems and refrigeration dryers. Biogenic emissions arise from the combustion of biomass, i.e. from the generation of energy in our biomass power plant. Biogenic emissions are considered climate neutral. Our indirect emissions, Scope 2, are generated by the energy producers from which we draw heat and electricity.

We have already prepared a GHG footprint for 2022 for the main site Erlenhof, which serves as a reference for comparison. A particularly significant reduction in emissions can be seen in emissions from biomass combustion in the biomass power plant, which can be attributed to the adjustment of the emission factor used (see 'GHG emissions per location 2023' table under: Scope 1 Heating & electricity). For the first survey in 2022, a general emission factor based on an average value for combustion facilities of varying size and efficiency was used. This average value includes both small combustion facilities with high emissions and large, efficient plants with low emissions. Our biomass power plant is characterised by particularly efficient combustion due to its size and high combustion temperatures. This results in significantly fewer residues, especially from particulate matter, methane and nitrous oxide. To prove this, we have carried out a special measurement of greenhouse gas emissions in addition to the regular emissions measurements. Based on this measurement, we were able to calculate a specific emission factor for our plant, which was reduced by 99.99 %.

We were also able to reduce our Scope 2 emissions at Erlenhof by drawing less electricity from nuclear energy. In 2023, we were also able to reduce part of our electricity consumption through electricity produced by our in-house biomass plant.

TOTAL GHG EMISSIONS IN 2023 (BY SCOPE)

Emission source	t CO_2e
Fossil direct emissions (Scope 1)	**611.74**
Fleet	608.20
Refrigerants	3.54
Fossil indirect emissions from external energy generation (Scope 2)	**241.15**
Purchased electricity	165.06
Purchased heat	76.09
Biogenic direct emissions (Scope 1)	**42 197.57**
Non-CO_2 emissions from wood combustion	54.96
Biogenic emissions from wood combustion	42 142.61
Fossil indirect value-added emissions (Scope 3)	**5405**

GHG EMISSIONS PER LOCATION 2023 [t CO_2e]

Company			BLAG					BLDE			BLUX	Oa.Sys
Area			**Timber industry**	**Silo construction**	**Timber construction**			**Timber construction**		**Silo construction**	**Timber construction**	**Timber construction**
Location	**2022 Erlenhof Total***	**2023 Erlenhof Total***	Erlenhof	Erlenhof	Erlenhof	Schwarzenbach	Gland	Großenlüder	Grafschaft	Klosterlechfeld	Gevenmacher	Alberschwende
Employees		472	120	352				28	12	10	7	27
Area in m²	21 993.45	21 993.45	8 300.55	1 080.80	10 403.10	2 209.00	20.60	n.a.	3 126.00	240.00	695.00	140.00
Scope 1	**1 470.54**	**528.70**										
Heating			45.68	0.06	1.49							
Electricity (own use)	938.00	54.96	0.13	1.38	0.18							
Electricity (sold)			6.04									
Fleet	529.00	470.20	212.52	28.24	229.44			17.01	16.26	35.08		69.65
Refrigerants	3.54	3.54	3.54									
Scope 2	**56.37**	**55.36**										
Purchased heat	56.00	55.07				55.07	0.70	2.28	6.03	9.86	2.15	
Purchased electricity	0.37	0.29	0.24	0.03	0.02	0.00	0.03	123.65	21.18	2.44	0.48	17.00
Scope 3	**5515.0**	**5074.4**										
Business trips	491.5	293.1		8.7	284.4			4.3	0.1	0.6	0.2	n.a.
Haulage	3 847.0	3 984.6	1 282.9		2 701.8			51.2		3.4		30.7
Employee commuting	867.3	521.9	521.9					37.1			8.5	103.5
Remote working	11.0	20.7	20.7								0.4	n.a.
Indirect emissions from purchased energy	224.8	200.8	186.9			13.9	0.2	42.3	11.1	10.8	1.2	24.4
Procured IT equipment	73.2	53.3	53.3									

* incl. Schwarzenbach

GHG emissions – Scope 3
Scope 3 emissions include emissions arising in the upstream and downstream supply chain, as well as emissions generated by business travel, employee commuting and remote work. As the responsibility for these emissions does not lie directly with the company but with other stakeholders in the supply chain or in business operations, they are the most difficult to calculate. Primary data is rarely available; often the data can only be estimated or extrapolated from samples. However, our aim is to improve the data pool from year to year, particularly for the main sources of emissions (hotspots) so that we can obtain results that are as accurate and comparable as possible. The table above gives an overview of the Scope 3 GHG emissions, which are described in more detail in the following chapters.

Transport throughout the supply chain
In our carbon footprint, we differentiate between transport that takes raw materials and other materials to the sawmill or production hall and transport from the production hall to the construction site. In exceptional cases, goods are transported directly from the merchant to the construction site.

We currently record emissions from imports, exports and national transport from the production hall to the construction site. Until now, it has not been possible to record emissions from purely national material purchases due to the high level of effort involved. However, we are working on an ERP solution to efficiently integrate this data in the future so we can create an even more comprehensive carbon footprint.

In accordance with the GHG Protocol, a choice can be made between the 'operational control' or 'financial control' approach to transport. We deliberately opted for a hybrid approach to obtain the most comprehensive overview of our emissions. Our goal is to take responsibility for all the emissions in our supply chain rather than passing them on to our customers.

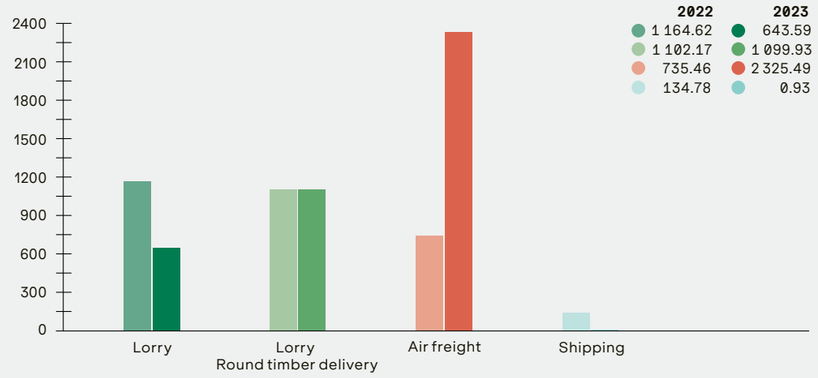
Freight trains, lorries, ships and aircraft were used as means of transport. If the timber elements or timber products were moved by plane, this involved smaller quantities that were transported under time pressure. Lorries are predominantly used for transport within Switzerland and to neighbouring countries. Round timber delivery, with around 33 lorry deliveries per day and 217 production days, accounts for more than half of the lorry emissions.

Emissions at Erlenhof in the 'upstream supply chain' category are on a downward trend due to low levels of business activity in far-flung countries. In 2022, there were several large construction sites in Saudi Arabia; this meant that material frequently needed to be transported over long distances.

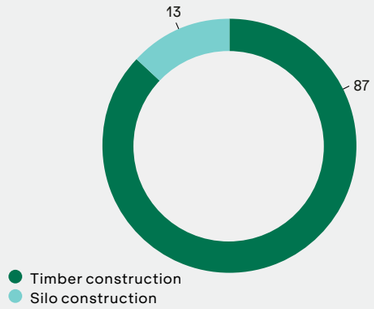
Business trips
Business travel is undertaken to visit suppliers or customers, but also for trips to construction sites. Overnight stays may also be required, depending on the distance from the employee's place of work or residence. As the graphic on the right shows, this applies to the Timber Construction and Silo Construction divisions. As more projects are carried out in Timber Construction than in Silo Construction, the number of overnight stays here is correspondingly higher. There were no overnight stays in the Timber Industry division in 2023.

At the Erlenhof location, travel activity changed from 2022 to 2023, primarily in the area of inbound and outbound travel. Some major projects in far-flung countries such as Saudi Arabia and India were completed by early 2023, resulting in around 50 % less air travel.

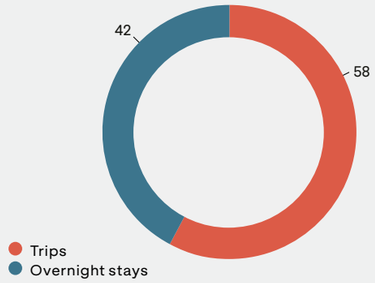
COMPARISON OF TRANSPORT ALONG THE SUPPLY CHAIN 2022/2023 [t CO_2]



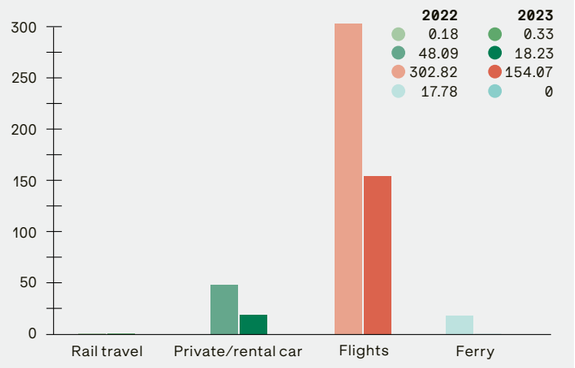
OVERNIGHT STAYS 2023 [%]



COMPOSITION OF EMISSIONS FROM OUR BUSINESS TRIPS 2023 [%]



EMISSIONS FROM MODES OF TRAVEL [t CO_2]



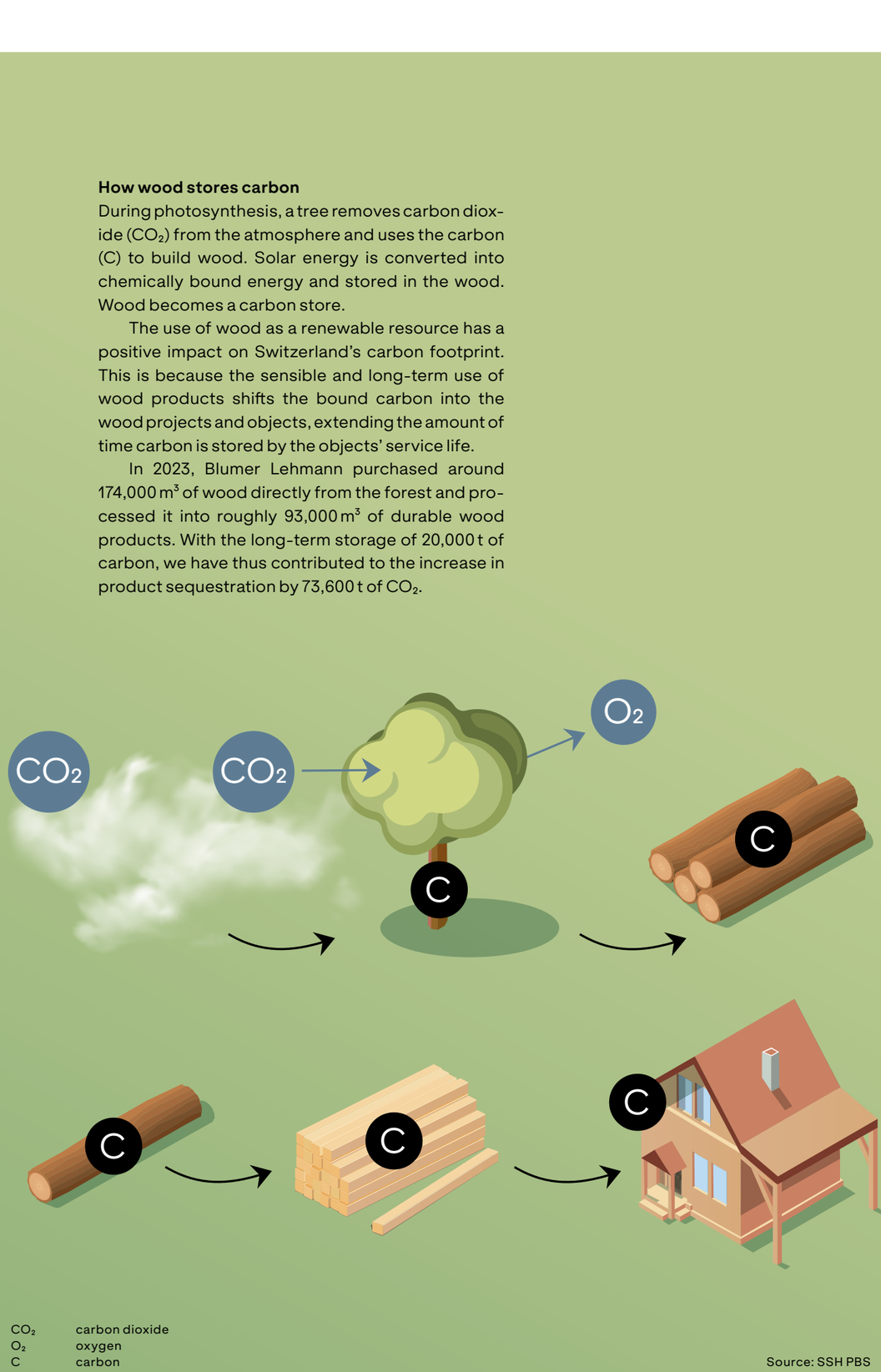
Employee commuting
As before, the majority of employees drive to work. This is mainly due to the fact that the headquarters in Erlenhof, where roughly 480 of the 550-plus employees are based, are difficult to reach by public transport. 82 % of commutes are made by car, which accounts for 93 % of emissions in this category. This is where we see major leverage for reducing emissions. Reducing these emissions is firmly anchored in our CO_2 reduction targets. By 2030, we want to create scope to easily get to Erlenhof by public transport. We made a successful start in 2024 by setting up a shuttle bus that ferries employees to and from the nearest railway station at the start and end of the working day. We have collected further ideas and are aiming to implement them step by step.

Means of transport	Share of commute	Share of CO_2 emissions caused
Car	82 %	93 %
Electric car	4 %	3 %
Train	6 %	2 %
Motorcycle	1 %	1 %
Scooter	2 %	1 %
Public transport	1 %	0 %
E-Bike	2 %	0 %
Bicycle	2 %	0 %
on foot	0 %	0 %

How wood stores carbon
During photosynthesis, a tree removes carbon dioxide (CO_2) from the atmosphere and uses the carbon (C) to build wood. Solar energy is converted into chemically bound energy and stored in the wood. Wood becomes a carbon store.

The use of wood as a renewable resource has a positive impact on Switzerland's carbon footprint. This is because the sensible and long-term use of wood products shifts the bound carbon into the wood projects and objects, extending the amount of time carbon is stored by the objects' service life.

In 2023, Blumer Lehmann purchased around 174,000 m^3 of wood directly from the forest and processed it into roughly 93,000 m^3 of durable wood products. With the long-term storage of 20,000 t of carbon, we have thus contributed to the increase in product sequestration by 73,600 t of CO_2.



CO_2 carbon dioxide
O_2 oxygen
C carbon

Source: SSH PBS

3.2 Biodiversity

Promotion of sustainable forestry and biodiversity

Blumer Lehmann's core activities relate to the use of wood. As a raw material derived from forestry, wood is thus is of central importance to us. That's why we care deeply about the long-term preservation of the forest ecosystem. Using wood helps us to contribute to this by enabling forest owners to maintain their forests on a regular basis. In addition, removing individual older trees that are ready to be felled creates space for new young trees to grow to replace them. Wood use and forest management thus create structural diversity in the forest, which in turn fosters numerous habitats in which animal and plant species with different needs can find a home. The more diverse in species a forest is, the more adaptable it is to external influences. By using wood, we promote forest management, which ultimately fosters biodiversity and in turn is crucial for climate-stable, healthy forests.

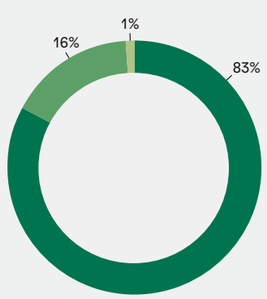
3.3 Resource use

Regional availability of wood as a raw material

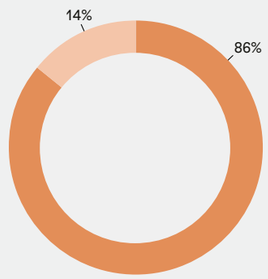
Origin of raw materials and other materials
Blumer Lehmann obtains the wood as a raw material in the form of round timber directly from the surrounding forests, while construction materials made of wood or other raw materials are purchased from various manufacturers or dealers.

Our round timber comes from sustainably managed forests within an average radius of 100 km from the Erlenhof site in Gossau. In 2023, we purchased roughly 172,800 cubic metres of round timber. Most of this comes from Switzerland (83 %), with the rest coming from southern Germany (16 %) and Austria (1 %). All Swiss wood bears the 'Schweizer Holz' (Swiss wood) label of origin. 48 % of the round timber purchased is FSC certified. We only source and process softwood timber, primarily spruce and 14 % fir. We purchase pine, larch and Douglas fir in very small quantities. However, these types of wood are not processed in our own sawmill but only traded.

ROUND TIMBER ORIGIN



ROUND TIMBER SHARE



Regional security of supply
As a raw material from the region, Blumer Lehmann primarily sources round timber – exclusively softwood timber – which is processed in the in-house sawmill. Due to the consequences of climate change, we expect that the availability of softwood in local forests will decrease. We currently source our timber from forests that, fortunately, have been less affected by climate changes so far due to their location. At higher altitudes, sufficient rainfall and adapted forestry practices ensure vital and resilient stands of forest, so we can assume a secure supply of softwood in the short to medium term. Nevertheless, a residual risk remains that extreme weather events or dry spells could also increase at higher altitudes and reduce the availability of raw materials.

Political restrictions such as forestry use restrictions or export bans on round timber from Germany or Austria could also lead to a shortage of raw material. Due to the large number of log suppliers in Switzerland, this would have little impact on Blumer Lehmann's security of supply in the short and medium term.

In timber construction
In the buildings we construct, we use materials that comply with current guidelines and standards for buildings and construction products. With our expertise, we use them in such a way that the buildings can be produced in the most durable, energy-efficient and resource-conserving manner possible and can be used flexibly and sustainably. The choice of materials plays a decisive role in this. In addition to the sustainable product of wood, we also endeavour to use renewable or recycled raw materials in other product categories. When selecting insulation materials, for example, we rely on cellulose or glass wool made from recycled waste glass. To increase the use of loose cellulose insulation, we are investing in a new system for blowing the insulation into the timber elements.

We are also investing in the development of resource-efficient components. The initial stages of projects in this direction began in 2023. The newly developed 'CLT clever' can still have the same structural properties as conventional CLT – while using around 50 % less wood per square metre. The aim is to launch these new products in Switzerland in spring 2026.

Efficient use of raw materials and other materials

In the timber industry
The raw material wood, which we obtain directly from the forest, is fully utilised in our timber life cycle. Depending on the diameter and quality of the logs, we can apply optimised cutting patterns in the sawmill to extract the maximum potential for high-quality sawn timber products from each log and keep the proportion of residual timber per log as low as possible. We produce pellets and energy from the remaining residual timber.

In silo and facilities construction
When using steel and fasteners in our silos, we make sure that they have a long service life and will not need to be replaced within that life cycle. To this purpose, the profiles are given a coating that protects them against weathering and corrosion, and we use special fasteners that do not corrode. With our servicing and maintenance services, we also offer a complete package of services for the proper care and maintenance of silos.

3.4 Waste production

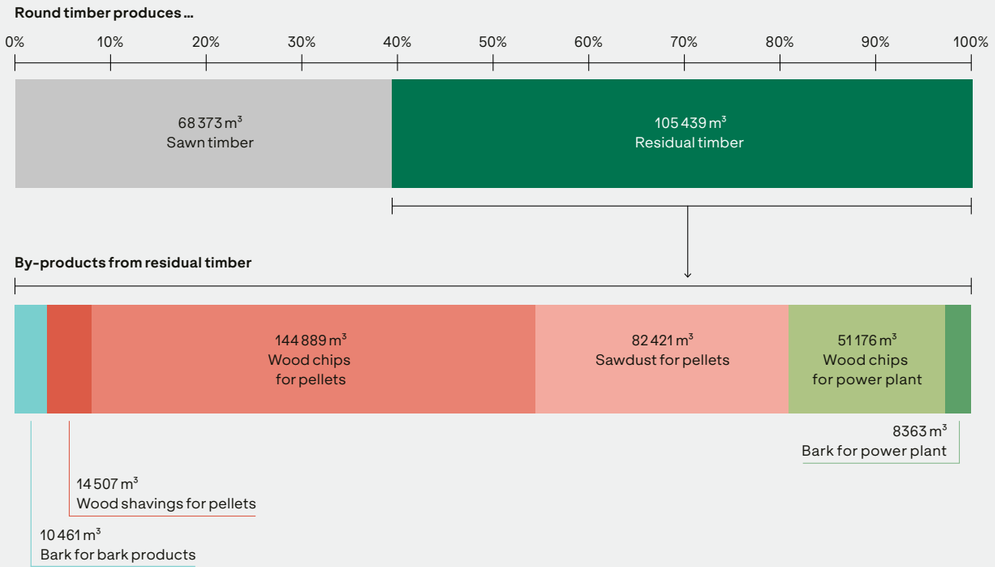
Erlenhof timber life cycle – Gossau SG location

When it comes to wood as a raw material, we can say that ‘waste’ isn’t in our vocabulary. The wood that we cannot use in our products or buildings is used to produce pellets, bark briquettes and litter for small animals. And residual wood is used for power generation in our own biomass power plant. We then use the energy it generates for our production. At Blumer Lehmann, every single log is thus 100 % utilised.

Other types of waste

During the construction of buildings and silos, residues of other construction materials and packaging materials are generated at the sites and in production. These materials are delivered to a recycling facility and handled separately. Only glass and films are recycled. The majority of the waste generated at Blumer Lehmann is thermally recycled. Plaster and mixed construction waste end up in the landfill. As we increase the circularity of our products, we are striving to increase the proportion of material recycling. A further objective is to avoid waste.

WASTE TIMBER RECYCLING IN GOSSAU 2023



Waste type	2022	2023				Waste treatment
	Gossau	Gossau	Großen-lüder	Kloster-lechfeld	Alber-schwende	
Treated glass (hollow glass, bottle glass, flat glass, window glass)	1.31 t	1.6 t				Material recycling
LDPE foil	36.82 t	41.85 t	0.58 t		1.15 t	Material recycling
Treated waste wood	34.64 t	116.66 t				Material recycling
Contaminated sawdust	21.72 t	27.76 t				Material recycling
Combustible waste	109.62 t	125.62 t	10.6 t	2.13 t	51.14 t	Thermal recycling and energy recovery
Mixed construction waste and mixed demolition waste	33.52 t	57.84 t				Landfill
Plaster	268.26 t	201.98 t	30.38 t			Landfill
Plastic window frames		0.40 t				Material recycling
Iron		1.79 t				Material recycling
Bulky items		36.86 t				Material and thermal recycling by sorting
Eternit/asbestos		1.84 t				Landfill
Paints and varnishes		0.57 t				Thermal recycling and energy recovery
Cleaning agents with hazardous substances		0.23 t				Material, thermal recycling and energy recovery
Mixed paper			4.32 t	0.93 t		Material recycling

The table shows the waste volumes of the three production sites – Erlenhof, Großenlüder and Klosterlechfeld.
Data collection for Großenlüder and Klosterlechfeld only began for 2023, when not all types of waste could be collected.
New waste categories have also been added at Erlenhof.

Use of less climate-friendly products

To date, the use of certain less climate-friendly products has been unavoidable in our day-to-day business activities. In timber construction, we need protective films and sealing membranes that, so far, have consisted of PE, EPDM or bituminous materials. When it comes to insulation, we largely rely on eco-friendly cellulose insulation. However, this is not yet possible everywhere, which is why mineral wool or polystyrene still need to be used in some areas of a building. That said, we ensure that these products contain a high proportion of recycled materials. In individual interior finishing projects, we are already using environmentally friendly panels such as loam panels, three-ply panels and solid timber. Generally, however, gypsum fibre boards, hard gypsum boards or gypsum cardboard are used as they are popular from both a structural and an economic point of view. Reinforced concrete is also an important construction material in timber construction, but we use it sparingly in all our projects. In silo construction, steel is the first choice as a supporting material as there are currently no alternatives on the market with the same properties.

Our overarching objective in the field of construction materials is to replace all less climate-friendly materials with functionally equivalent eco-friendly alternatives. To do this, we first want to create a database that shows the amount of CO_2 emissions Blumer Lehmann causes indirectly through the purchase and use of these materials. Specific reduction targets can then be set.

Circular economy

Circularity is already practised at Blumer Lehmann on various levels. Our timber cycle (see 3.4) is a very good example of how a circular economy can be environmentally and economically beneficial. We also demonstrate this with our modular constructions. In addition to swift installation at the construction site, modules have another significant advantage: they can be dismantled quickly and easily and re-assembled in a different location. For many modules, the second use is already planned before the first use. Some temporary constructions have even been used up to four times. They can also be used multiple times beyond Switzerland's borders – for example, the temporary theatre in St. Gallen was sold to Ingolstadt for use as a replacement venue during the renovation of the municipal theatre.

Sustainable building planning

In order to develop buildings that are as sustainable as possible, Blumer Lehmann tries to get involved in the planning of the projects as early as possible. In collaboration with architects and clients, we can develop a sustainable overall concept in which the following criteria are taken into account:

- Embodied energy of the building (grey energy)
- CO_2 emissions from the construction of the building
- Operating energy during building use (type of energy, consumption, energy storage)
- Amortisation period of the grey energy
- Selection of natural construction materials
- Circularity and resource conservation
- Sustainable water cycle
- BIODIVERSITY

To investigate and evaluate construction materials with regard to their sustainability properties, Blumer Lehmann uses instruments such as EPDs (Environmental Product Declarations) and various life cycle assessment databases such as ecoBau, KBOB and Ökobaudat.

4 Social sustainability

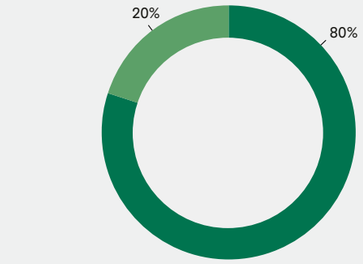
4.1 Own workforce

Personnel figures

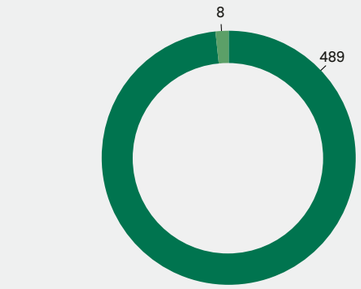
	2022	2023
Number of permanent employees	**453**	**497**
Male	91 %	90 %
Female	9 %	10 %
Proportion of women in managerial positions (Management Board)	40 %	40 %
Permanent staff [FTEs]	428	489
Temporary employees [FTEs]	25	8
Full-time employees	81 %	80 %
Part-time employees	19 %	20 %
Occupational safety, training and development		
Reportable work accidents	42*	63**
Number of apprentices	25	26
Annual training hours	1872	4612

* Swiss locations only
** 50 at Swiss locations, 13 at German locations

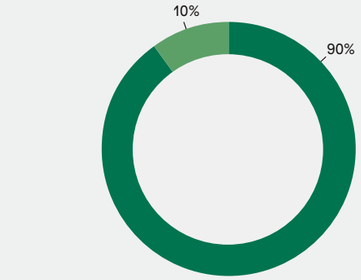
FULL-TIME/PART-TIME BREAKDOWN



PERMANENT/TEMPORARY BREAKDOWN



GENDER BREAKDOWN



Principles of our employment policy

Blumer Lehmann is an owner-operated family business in which we practise a spirit of mutual appreciation and cultivate respectful interaction on and between all levels of the hierarchy. We assume a certain duty of care towards all employees, which can extend well beyond what is normally expected. This might mean that employees in difficult situations in their private lives receive targeted individual support.

Targeted employee development
We nurture people and their potential: by fostering the personal responsibility, commitment and performance of our employees, we empower them to develop their skills and potential. We create an innovative and motivating environment for this very purpose. Our company working practices are based on trust, appreciation, tolerance and a healthy dose of humour.

With the newly founded Blumer Lehmann Academy, Blumer Lehmann wants to support its employees in their professional and personal development. The available training and development opportunities strengthen their individual skills and the collective know-how within the company. In addition to the further training and development of our own employees, basic training and partner and customer training form the three pillars of the Blumer Lehmann Academy.

We're also big on team-building events at Blumer Lehmann. For example, every spring we have a ski weekend, go on a company hike in summer and end the year with a Christmas event. In 2023, we also held the first annual 'We are Blumer Lehmann' day. Once a year, all employees from all locations will spend a day at the Erlenhof headquarters, take advantage of further training opportunities and enjoy the chance to spend some time together.

Integration of people from the intermediate labour market
People who want to be reintegrated into the labour market can get a fresh start with us. Various factors have to be in place in order not to overwhelm the existing teams and employees during the reintegration phase. The team therefore has a critical role in deciding whether an integration should take place. A number of successful reintegrations into the labour market have already been achieved through this programme.

Temporary employees
Approximately 14 % of Blumer Lehmann's employees, or a total of 70 people in 2023, are temporary employees whose employment relationship with the company is only for a certain period of time. They work mainly as carpenters in assembly or production. Temporary employees replace missing full-time employees. This high proportion of temporary employees can be a hindrance to the successful implementation of a value-oriented corporate culture and it is important to keep an eye on this.

On the other hand, it is beneficial for the company to use the concept of 'temporary work' to attract new qualified permanent employees. We've managed to do precisely that on several occasions in recent years.

Training and skills development

We develop and enhance the individual skills and collective knowledge of the talented people in and around our company through targeted training opportunities. To this end, we recently founded our Blumer Lehmann Academy.

The Blumer Lehmann Academy encompasses the following three pillars:

Basic training
As a host company, Blumer Lehmann offers apprenticeships for young people. The objective is to foster technical, personal and social skills. We also train people in the foundations of specialist professions and activities 'on the job' as part of our in-house professional training.

Blumer Lehmann offers four apprenticeships:
- Carpenter EFZ
- Timber Industry Specialist EFZ
- Woodworker EBA
- Draughtsperson (specialisation in architecture) EFZ

As a host company with a cantonal education permit, Blumer Lehmann also demonstrates its commitment to vocational training with the host company label. We ensure that the Swiss economy can also count on highly qualified specialists in the future.

Partner and customer training
This includes specific training, workshops and tours for students, apprentices and business partners. We also strongly believe in training specialist cohorts from different apprenticeships as well as students and specialists in timber construction, engineering and architecture. Blumer Lehmann experts in the fields of planning, architecture and engineering give students and other interested participants an in-depth introduction to timber construction, for example, through customised multi-day workshops, lectures or guided tours.

Further training and development
Development and career planning for specialist and management pathways for existing employees.

We support development and career planning for our employees on their path to specialist and management careers. Annual staff evaluations serve as a foundation for this. Supervisors and employees decide together if and when specialist and social competencies will be fostered and supported financially via internal or external training programmes.

Occupational health and safety

We take responsibility for the health and safety of our employees. Legal regulations such as the guidelines of the Federal Coordination Commission for Occupational Safety (FCOS) provide the framework for occupational safety. The provision of full personal protective equipment, regular first aid courses and instruction on the vehicles, machinery and equipment we use are just some of the obligations we fulfil. We also use the preventive tools and measures provided by SUVA accident insurance. We invest in the health of our employees with a variety of conventional and new preventive measures.

Blumer Lehmann implements measures for the occupational health and safety of its employees as 'tangibly' as possible so that employees will benefit from them in the long term and be prepared to protect their health both in their private and professional lives. Since 2023, all employees throughout the company have also been trained on selected safety and prevention topics in the context of a joint 'We are Blumer Lehmann' day.

Health issues due to increasing heat and sun exposure

The increase in temperature extremes due to global warming and the high UV exposure from sunlight could in future pose an increasing health risk to workers performing physical work outdoors. To counteract this, a large proportion of the assembly work is carried out in the production halls. If work needs to be performed outdoors on the construction site, we adjust working hours wherever possible to less sunny times of day and provide employees with safe working clothes, sun protection and sufficient drinks.

Impact of the shortage of skilled workers

The shortage of skilled workers is a challenge for the entire construction industry – including Blumer Lehmann. One risk is that permanent employees will be overburdened due to a lack of skilled resources. Excessive workloads cannot only impact employees' health and motivation, but also have a negative impact on the quality of work and safety on the construction site.

The primary way in which we compensate for staff shortages is by working with other timber construction companies with whom we have long-term partnerships. If further capacity bottlenecks need to be bridged at short notice, we resort to temporary staff. Temporary workers often do not have the same operational experience and integration as permanent employees, which can make their work more difficult and put a strain on teamwork. This can also have a negative impact on the corporate culture in the long term. Restricted communication, reduced loyalty and potential tensions within the team are possible consequences.

We try to avoid such bottlenecks as far as possible through forward-looking personnel planning. At the same time, we take advantage of the opportunity for qualified temporary employees to opt for permanent employment at Blumer Lehmann, thereby countering the shortage of skilled workers.

Measures to combat violence and harassment in the workplace

We prohibit all forms of bullying, violence and harassment in the workplace and undertake to take appropriate measures to protect employees from this. In the event of an incident, we decide on how to proceed in collaboration with those affected. Anyone who engages in discriminatory behaviour should expect to be punished. In addition, we ensure that affected individuals seeking advice or wishing to lodge complaints, as well as other parties involved, are not disadvantaged as a result of doing so. To this end, we have set up a complaints procedure. Whether or not they seek prior advice from the contact and advice service, those affected have the option of submitting a written complaint to a Complaints Committee and requesting an investigation. The Complaints Committee, which consists of three members, is appointed by the Executive Board. The Complaints Committee appoints a member to lead it.

Our HR department is also available as a point of contact and source of advice. Employees who are not sure whether they are engaging in harassment or bullying themselves and would like to explore this can receive assistance here.

4.2 Customers

Customer focus

Our customers' satisfaction is at the heart of everything we do. We focus on their preferences, expectations and needs – not only to ensure their satisfaction but also to build a long-term and trusting relationship. Regular feedback, recommendations and repeat purchases and orders confirm that we are correctly assessing and meeting the needs of our customers.

Customer focus by division
Precisely because the focus at Blumer Lehmann is on customers, our divisions respond differently to their respective needs. In the Timber Industry division, we supply customers in a variety of segments. Where we have the opportunity to establish a long-term and secure contractual relationship, we enter into longer-term contracts. In the short term, our ultimate goal is to consistently deliver the desired quantity in the expected quality at the agreed time in order to cultivate a long-term partnership. Our Timber Industry customers receive sustainable products from regional Swiss timber with short transport routes.

We supply the following customer groups:
– Timber trade
– Carpenters and joiners
– Roofers, facade builders and other tradespeople
– Packaging construction
– Glued laminated timber construction
– Construction businesses
– Farms
– Gardeners
– Private end users
– Fuel trade

In timber and silo construction, we see ourselves as a service provider for our customers. We work in a spirit of partnership with the aim of efficiently finding the ideal solution. In doing so, we always look at things from the client's perspective while also keeping a constant eye on ease of production and assembly. For the customer, this ensures that the structure will be planned, produced and installed according to defined deadlines and costs. To achieve this, we stand by our customers' side as a reliable partner.

Our timber and silo constructions are used for a variety of purposes, including:
– Education and research
– Offices and administrative buildings
– Events
– Leisure and sport
– Healthcare and care facilities
– Commercial and industrial
– Hotels and restaurants
– Art and culture
– Agriculture
– Temporary buildings
– Winter maintenance
– Residential, single-family home
– Residential, apartment building

Customer-oriented construction projects for a changing society

Demographic shifts are changing our society's needs. Demand for school, nursery and residential buildings is high and will continue to increase. We are well positioned to handle this trend and offer construction projects that are specifically tailored to it. Our modular constructions, which are quick and easy to erect, help to efficiently provide urgently needed residential and educational space and meet society's requirements.

In addition, the demand for sustainable construction projects is constantly growing – a trend that we actively support. Our sustainable construction products see us address a growing group of customers who value protecting the planet, resource efficiency and environmental compatibility. Our timber construction method fuses these principles with modern design and high functionality – both meeting our customers' expectations and contributing to a sustainable future.

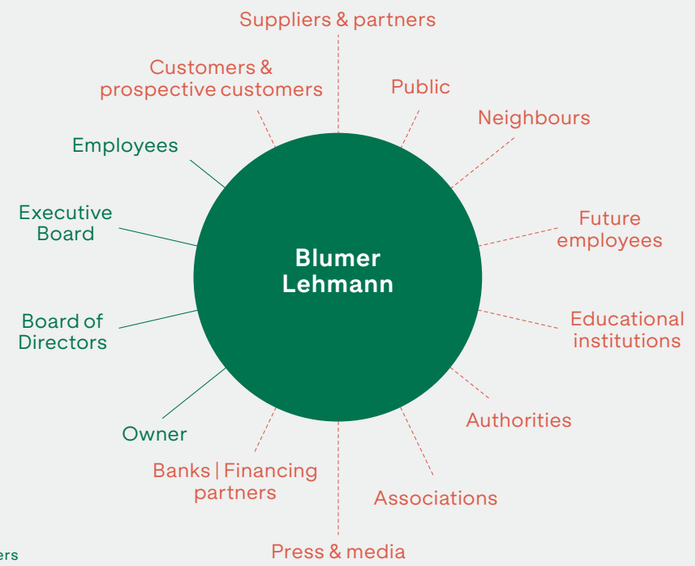
Governance

5.1 Stakeholder engagement

Blumer Lehmann values regular contact with its stakeholder groups. We are in dialogue with all stakeholder groups via the appropriate communication channels and at different intervals. The communication objectives vary and are tailored to the respective stakeholder group.

We make a distinction between internal and external stakeholders. Internal stakeholders include employees, shareholders and the Board of Directors as the most important target groups. In addition to customers, key external stakeholders include suppliers, partners, neighbours and contacts at the public authorities in the locations where we operate, in particular the town of Gossau and the canton of St.Gallen.

BLUMER LEHMANN'S INTERNAL AND EXTERNAL STAKEHOLDERS



Association memberships

To more effectively promote our interests and exert greater influence, we are active in a number of associations and organisations in the forestry and timber industry as well as in the construction and retail sectors.

Industry associations of the forestry and timber industry
- Waldwirtschaftsverband
- Holzindustrie Schweiz HIS
- Holzbau Schweiz
- Holzbau Schweiz assessment commission
- Verein Senke Schweizer Holz
- proPellets.ch
- Lignum
- VGQ – Verband Gebäudequalität Schweiz
- Minergie Switzerland
- STE Swiss Timber Engineers

General business associations
- HIG GOSSAU
- St. Gallen Chamber of Industry and Commerce
- Gewerbeverband trade association

5.2 Supply chain management

We attach great importance to clear, transparent supply chains. This transparency is crucial in minimising risks along the supply chain and helping us to meet our sustainability standards. However, there is still potential to improve our supply chains further, particularly for non-timber products.

High transparency in log procurement

More than 80 % of the logs come from Switzerland, the rest from nearby southern Germany and Austria within an average radius of 100 kilometres. These short delivery routes are not only environmentally beneficial, they also provide an excellent level of transparency. We maintain long-standing, trusting relationships with forestry companies and know the foresters personally. Directly sourcing logs from the forest ensures a high level of transparency, which largely eliminates risks along this supply chain. Sustainable forestry is a matter of course in our suppliers' forests.

Procurement of construction materials

We procure the materials used in timber construction from established Swiss and European retailers. Compliance with the Swiss Timber Trade Ordinance (Holzhandelsverordnung, HHV) and the European Timber Regulation (EUTR) ensures that our suppliers' supply chains are traceable to the extent required by law. For supply chains that are not directly subject to these regulations, we have been able to at least roughly estimate the countries of origin. In general, we assume that the raw material for our wood products comes from the EU.

Supply chain structure and complexity

The timber products we use are not very complex. They consist of a handful of components and go through just a few processing steps, which further increases transparency. This clarity enables us to effectively assess and minimise risks along the supply chain. In addition, the majority of our supply chains are certified with the FSC or PEFC sustainability labels, which ensures that all origin- and sustainability-related product information is documented and shared.

Although we already have well-documented and clear supply chains, we still believe that there is room for improvement. Our aim is to further increase transparency, particularly in more complex supply chains, and thus continuously enhance our contribution to creating a sustainable and responsible supply chain. This is supported by close cooperation with our suppliers and the refinement of internal control processes.

5.3 Significance for the regional economy

For the Gossau, SG location and the surrounding area, Blumer Lehmann primarily offers a wide range of jobs. In addition to the approximately 400 jobs at the Gossau site, we train an additional 25 apprentices in four different occupations.

Alongside commercial and wage tax revenues, the hospitality industry in the town of Gossau benefits from the numerous international customers who regularly visit Blumer Lehmann's headquarters. There are also positive effects for businesses and service providers in Gossau – thanks to long-term framework agreements with us as a company and regular purchases by our employees in Gossau.

Faszination Holz
↳ blumer-lehmann.com

Blumer Lehmann