



AEROVIRONMENT

2023 CORPORATE SOCIAL RESPONSIBILITY REPORT

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ABOUT THIS REPORT

THIS CORPORATE RESPONSIBILITY REPORT (CSR) COVERS ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) TOPICS WHICH PERTAIN TO AEROVIRONMENT'S BUSINESS AND STAKEHOLDERS. Unless stated otherwise, data presented throughout this report covers AeroVironment's 2023 Fiscal Year (May 1, 2022 – April 30, 2023) and refers to its global operations and activities which are wholly owned and operated by AeroVironment, with the exception of Telerob which is based in Germany and was acquired in May 2021. Our global integration efforts with Telerob are ongoing within the broader AeroVironment organization.

The AeroVironment ESG Committee oversees the creation of this report under the direction of its company leaders and Board of Directors. The information presented within this report has been gathered through internal compilation efforts and is subject to reasonable estimation where applicable. Information has not been subject to third-party or other independent verification as we continue to explore and develop our ESG program.

SAFE HARBOR STATEMENT

CERTAIN STATEMENTS IN THIS Proxy Statement may constitute "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words such as "believe," "anticipate," "expect," "estimate," "intend," "project," "plan," or words or phrases with similar meaning. These statements are made on the basis of current expectations, forecasts and assumptions that involve risks and uncertainties, including, but not limited to, economic, competitive, governmental and technological factors outside of our control, that may cause our business, strategy or actual results to differ materially from those expressed or implied. For a further list and description of such risks and uncertainties, please visit the [SEC Filings](#) section of our website

FOR QUESTIONS REGARDING THIS REPORT, please contact our Investor Relations team at <https://investor.avinc.com/contact-and-faq/contact-us>.

A LETTER TO OUR STAKEHOLDERS

AEROVIRONMENT'S PURPOSE IS TO SECURE LIVES AND ADVANCE SUSTAINABILITY THROUGH TRANSFORMATIVE INNOVATION.

We are committed to doing more with less, while supporting our customers as they perform their vital missions. We do this by following and honoring the inspiration of our founder, Dr. Paul B. MacCready Jr., who sought to harness the power of human imagination and perseverance.

DESPITE THE HEADWINDS WE FACED LAST YEAR, Fiscal Year 2023 was an inflection point for the company in terms of our long-term strategic vision as we achieved our highest revenues and backlog in company history, bolstered by our Switchblade and Puma products. This marks our sixth consecutive year of top-line growth with revenue reaching \$541M USD, a 21% increase compared to Fiscal Year 2022. With expanded markets, a newfound appreciation of our unique capabilities by international customers, key technology advancements powered by machine learning, and broad support for our products here at home, AeroVironment is well-positioned for success.

THIS YEAR, WE CHALLENGED OURSELVES TO PUSH BOUNDARIES TO EVEN FURTHER HEIGHTS. We celebrated our award-winning Ingenuity Mars Helicopter as it woke up from the Martian Winter, continuing its historic success with NASA's Jet Propulsion Laboratory. As of May 2023, it has logged more than 52 successful flights, surviving 781 sols on the surface of Mars, far exceeding the initial design objectives.

BACK ON EARTH, we remain committed to helping sovereign nations protect their homelands and populations when their fundamental human right to a safe and peaceful existence is threatened. We strive to preserve lives and are extremely proud of the growing level of assistance we have provided to our country and allies in the past year, most notably Ukraine. Two AeroVironment products currently supporting our unmanned ground vehicles (UGVs), which are designed to keep first responders safe as they work to dispose of dangerous materials and equipment, and our loitering munition systems, which are designed to accurately engage adversaries and protect innocent civilians aided by our patented wave-off technology.

WITHIN OUR INTERNAL OPERATIONS, we are intentionally focused on our employees' whole well-being, knowing that they remain our company's most valuable asset and are the driving force behind our success. We have successfully navigated the challenges of the pandemic to become a more flexible, successful, and resilient organization and are proud to once again be certified as a Great Place to Work®. Over the past year, we have continued to expand the reach of our Employee Resource Groups and are excited to return to a more normal cadence of employee events and celebrations, including those for new employees to showcase the company's products and share our values.



AEROVIRONMENT ALSO MAINTAINS ITS focus on environmental impacts both from an operational and a final product standpoint. We continue to gather e-waste from obsolete equipment

and technology, reusing what we can and properly disposing of materials that we cannot. The revenues from this effort are donated back to the community via the Simi Valley Education Foundation, an ongoing effort since 2017. Last year, our California facilities began to incorporate clean power sources within their energy mixes. We are proud to report that these locations are continuing with this trend, purchasing 22 to 55 percent renewably sourced electricity, depending on location and availability.

FINALLY, this year we conducted an inaugural materiality assessment to identify ESG topics that are most relevant and important to our business. Through internal and external stakeholder engagement, we determined the most material topics to our business to inform the development of our Corporate Social Responsibility Strategy.

IN ALL ASPECTS OF OUR BUSINESS, AeroVironment continues to focus on improving people's lives today and in the future. We remain unwavering in our attention to our principles and our governance. As we continue to push the boundaries of increasingly sophisticated unmanned robotic systems and services, we hold steadfast in our approach to innovating and simplifying our processes and products to ensure quality, promote sustainability, and enhance performance while meeting the exacting needs of our customers.

We thank you for your interest in our latest CSR Report and are excited to continue our sustainability journey with you and our stakeholders in the future.

Sincerely,

A handwritten signature in black ink that reads "Wahid Nawabi". The signature is fluid and cursive, written over a light blue background.

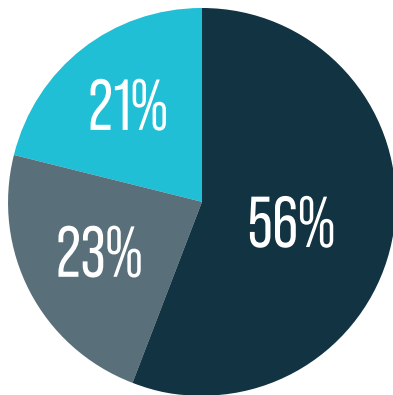
Wahid Nawabi, Chairman, President, and CEO

ABOUT AEROVIRONMENT

AT AEROVIRONMENT WE DESIGN, DEVELOP, PRODUCE, DELIVER, AND SUPPORT A TECHNOLOGICALLY-ADVANCED PORTFOLIO OF INTELLIGENT, MULTI-DOMAIN ROBOTIC SYSTEMS AND RELATED SERVICES FOR GOVERNMENT AGENCIES AND BUSINESSES.

IN FISCAL YEAR 2023, WE GENERATED **\$541M USD IN REVENUE**. We categorize our four product lines into three business segments which support commercial, defense, and civil customers.

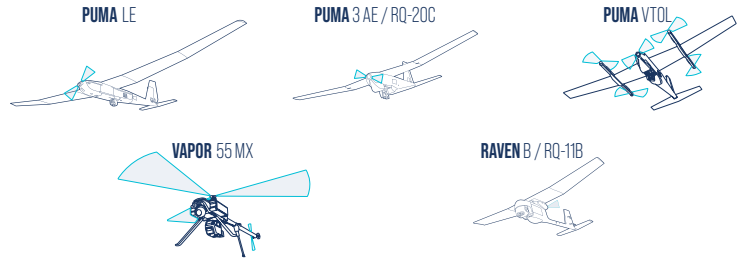
REVENUE BY SEGMENT



- Unmanned Systems // SUAS + MUAS + UGV
- Loitering Munition Systems // LMS
- MacCready Works Advanced Solutions // MW + HAPS

OUR PRODUCT LINES ARE STRUCTURED AS FOLLOWS

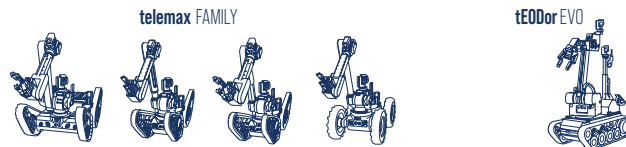
SMALL UNMANNED AIRCRAFT SYSTEMS (SUAS)



MEDIUM UNMANNED AIRCRAFT SYSTEMS (MUAS)



UNMANNED GROUND VEHICLES (UGVs)



LOITERING MUNITION SYSTEMS (LMS)



MACCREADY WORKS ADVANCED SOLUTIONS (MW)

HIGH-ALTITUDE PSEUDO-SATELLITES (HAPS)



AEROVIRONMENT WORLDWIDE LOCATIONS

12 CAMPUSES ACROSS THE UNITED STATES & EUROPE

Simi Valley, CA // Moorpark, CA // Petaluma, CA // San Diego, CA // Lawrence, KS // Huntsville, AL // Arlington, VA
Erie, PA // Wilmington, MA // Centreville, VA // Minneapolis, MN // Ostfildern, Germany

COMPANY SNAPSHOT

Year
Founded
1971

Corporate
Headquarters
VA
ARLINGTON

Global
Employees
1,279
FULL-TIME

FY 2023
Revenues
\$541
MILLION

OUR PURPOSE & VALUES

AT AEROVIRONMENT, WE HOLD STEADFAST TO OUR STANDARDS OF CONDUCT ADHERING TO OUR FOUR CORE VALUES: TRUST AND TEAMWORK, CUSTOMER COMMITMENT, INNOVATE AND SIMPLIFY, AND OWNERSHIP AND RESULTS. EVERY EMPLOYEE THROUGHOUT OUR ORGANIZATION IS GUIDED BY THESE PRINCIPLES.



AEROVIRONMENT'S PURPOSE

BY STAYING TRUE TO OUR CORE VALUES, WE CAN ACHIEVE OUR PURPOSE – TO SECURE LIVES AND ADVANCE SUSTAINABILITY THROUGH TRANSFORMATIVE INNOVATION.

AEROVIRONMENT'S CORE VALUES



TRUST AND TEAMWORK

WE DEMONSTRATE INTEGRITY AND ETHICAL CONDUCT IN ALL OUR ACTIONS.
WE LISTEN ATTENTIVELY, SPEAK CANDIDLY, AND TREAT OTHERS RESPECTFULLY.
WE WORK TOGETHER AS A TEAM TO WIN.



CUSTOMER COMMITMENT

WE WORK VIGOROUSLY TO EARN AND KEEP OUR CUSTOMERS' TRUST.
WE MAKE A POSITIVE DIFFERENCE IN OUR CUSTOMERS' LIVES BY UNDERSTANDING,
ANTICIPATING, AND RESPONDING WITH AGILITY TO THEIR NEEDS.



OWNERSHIP AND RESULTS

WE ACT IN THE INTEREST OF ALL OUR STAKEHOLDERS, BEYOND THAT OF OURSELVES OR OUR TEAMS.
WE TAKE OWNERSHIP AND ARE ACCOUNTABLE FOR OUR OUTCOMES.



INNOVATE AND SIMPLIFY

WE ARE CURIOUS AND RELENTLESS IN THE PURSUIT OF INNOVATIVE SOLUTIONS, AND IMPROVEMENTS.
WE LOOK FOR NEW IDEAS EVERYWHERE AND ARE COMMITTED TO ENSURING THAT THE BEST IDEAS WIN.

PRODUCT INNOVATION & SUSTAINABLE SOLUTIONS

AEROVIRONMENT REMAINS ONE OF THE WORLD'S LARGEST MANUFACTURERS OF UNMANNED AIRCRAFT SYSTEMS (UAS), DELIVERING A SUITE OF LOW- AND ZERO-EMISSION, FUEL- AND ENERGY- EFFICIENT, BATTERY-POWERED, AND STRATOSPHERIC SOLAR-POWERED PRODUCTS. We are constantly breaking new ground in unmanned aircraft systems to help deliver new advantages that are reliable, flexible, and easy to use. We are committed to developing and delivering new solutions and capabilities to serve the needs of our customers while defending democracy, protecting and preserving innocent lives, and minimizing environmental impacts. Our targeted, efficient solutions provide greater flexibility at lower cost and have increased effectiveness over traditional, manned platforms.



UNMANNED AIRCRAFT SYSTEMS (UAS)

Our family of unmanned aircraft systems has grown over the last decade to include Puma™, Raven®, JUMP® 20, and VAPOR® 55 MX Helicopter. These units have been adopted by more than 55 allied nations. They are known for their capabilities in battlefield conditions, including low-altitude intelligence, surveillance, and reconnaissance missions. They deliver real-time color and/or infrared imagery to ground control and remote viewing stations.

LOITERING MUNITION SYSTEMS (LMS)

AeroVironment's loitering munition systems provide long range precision strike capabilities that deter adversaries while minimizing collateral effects. These units are small in size and have low acoustic, visual, and thermal signatures, making them difficult to detect or track. Recently, the U.S. government has approved the sale our Switchblade® 300 and 600 to more than 30 allied nations, continuing to enhance their security operations through advanced technology.



UNMANNED GROUND VEHICLES (UGVs)

AeroVironment's unmanned ground vehicles share a similar purpose to our UAS and LMS: to keep operators out of harm's way. With their advanced, specialized manipulators, UGVs like our telemax™ series are used in cases of explosive ordnance disposals, hazardous materials handling, as well as other specialized weapons and tactics team operations. UGVs and their rugged, all-terrain capabilities have been adopted in 45 countries for homeland security, emergency response, and defense purposes.

AEROVIRONMENT STANDS WITH THE PEOPLE OF UKRAINE AND ALL OF NATO

We stand for freedom, and we stand with our allies and sovereign nations in their right to protect their lives and homelands when this fundamental right is threatened.

We are extremely proud of the growing level of assistance we have provided to our allies including [Ukraine](#).

INGENUITY MARS HELICOPTER

IN PARTNERSHIP WITH NASA'S JET PROPULSION LABORATORY (JPL) AEROVIRONMENT DESIGNED AND DEVELOPED THE INGENUITY MARS HELICOPTER CARRIED BY THE MARS PERSEVERANCE ROVER. Since the arrival of the aircraft on Mars in February 2021, Ingenuity has exceeded mission expectations by successfully completing more than 50 flights, demonstrating the viability of aerial robots under the most extreme conditions, including planetary exploration. Having recently woken from the harsh "Martian winter," a feat in and of itself, the helicopter continues to exceed its initial mission and continues to be used to scout ahead of Perseverance, taking pictures of the red planet along the way.

Progress of the ongoing mission is tracked on NASA's [website](#).



CORPORATE SOCIAL RESPONSIBILITY

OUR APPROACH TO CORPORATE SOCIAL RESPONSIBILITY

AT AEROVIRONMENT, WE ARE AWARE OF OUR IMPACT ON THE WORLD AND ARE DEDICATED TO CONDUCTING BUSINESS WITH THE ENVIRONMENT IN MIND. We incorporate innovative, future-forward technologies into our products to help conserve energy and resources, and protect lives. We set our Environment, Social, and Governance (ESG) goals and policies in alignment with our Core Values. We expect our shareholders, clients, suppliers, and other stakeholders to demonstrate similar values and priorities.

OUR CROSS-FUNCTIONAL INTERNAL ESG Committee has been tasked with advancing AeroVironment's ESG goals and initiatives. This team, led by our Senior Director, Corporate Development and Investor Relations, meets quarterly to review progress and evaluate potential new initiatives. This Committee is also responsible for sharing progress with the Board of Directors on a recurring basis. Our Board's Nominating and Corporate Governance (NCG) Committee provides oversight to the ESG Committee.

WE CONTINUE TO BUILD out our Corporate Social Responsibility programs, enhancing our commitments to sustainability and transparency. In this report, we are sharing information and accomplishments to demonstrate our progress thus far, knowing that our journey is only just getting started.

"AeroVironment's culture, processes, and products have enabled us to be well positioned to respond to a variety of pressing and urgent ESG concerns. Through our Corporate Social Responsibility Reports and related efforts, we are now able to share this great work with our stakeholders and build upon these successes in the future."

– Jonah Teeter-Balin
Head of Investor Relations

STAKEHOLDER ENGAGEMENT

MATERIALITY ASSESSMENT

THIS YEAR, AEROVIRONMENT ENGAGED A THIRD PARTY CONSULTANT TO CONDUCT OUR FIRST FORMAL MATERIALITY ASSESSMENT. The purpose of the project was to identify which ESG topics are most relevant and important to AeroVironment's business and stakeholders. The assessment engaged a variety of both internal and external stakeholders on 27 relevant ESG topics. The feedback gathered was then used to identify which topics are most important to ensuring AeroVironment's success. The outcomes from this materiality assessment have been used to inform the content included in this Corporate Social Responsibility report as well as the development of our broader ESG strategy.

STEP 1:

TOPIC IDENTIFICATION

WE BEGAN OUR MATERIALITY ASSESSMENT BY CONSIDERING TOPICS FROM A VARIETY OF SOURCES INCLUDING:

- ESG disclosures of AeroVironment's peers, ESG leaders, and competitors;
- Sustainability Accounting Standards Board (SASB) Standards;
- Global Reporting Initiative (GRI) Standards;
- Industry trends and global ESG topics; and
- Other key industry associations and initiatives.

AFTER THE PRELIMINARY TOPIC LIST WAS REFINED AND TOPICS WERE GROUPED INTO THREE CATEGORIES: ENVIRONMENTAL, SOCIAL, AND GOVERNANCE.

"For our business to thrive, we need to ensure an ethical culture throughout our value stream and product safety for our customers."

– Kevin McDonnell,
Sr. Vice President and CFO

STEP 2:

STAKEHOLDER IDENTIFICATION AND ENGAGEMENT

AS PART OF OUR PROCESS, we developed a comprehensive list of relevant internal and external stakeholder groups, organizations and individuals to provide insights during the materiality assessment. Stakeholders were selected if they were identified as having interest and influence upon AeroVironment's sustainability activities, including their ability to capture candid and complete perspectives.

STAKEHOLDERS WERE GROUPED into two types of engagement: direct interview and web-based survey. Six stakeholder interviews were conducted to understand material topic priorities, context around corporate social responsibility within business operations, and stakeholder-specific priorities. Ninety internal and external stakeholders were engaged via survey. Stakeholders were requested to prioritize topics through use of context setting questions, including questions pertaining to the financial value and perceived impact of ESG topics based on AeroVironment's business operations.

STEP 3: VALIDATION

FOLLOWING COMPLETION OF the surveys and interviews, topics were assessed in terms of stakeholder priorities. This step allowed us to evaluate and determine which topics are most likely to be material to AeroVironment.

WITH THE COMPLETION of this project, we gained a stronger understanding of where we are on our ESG journey and are in better position to evaluate new goals, targets, and initiatives.

MATERIALITY MATRIX

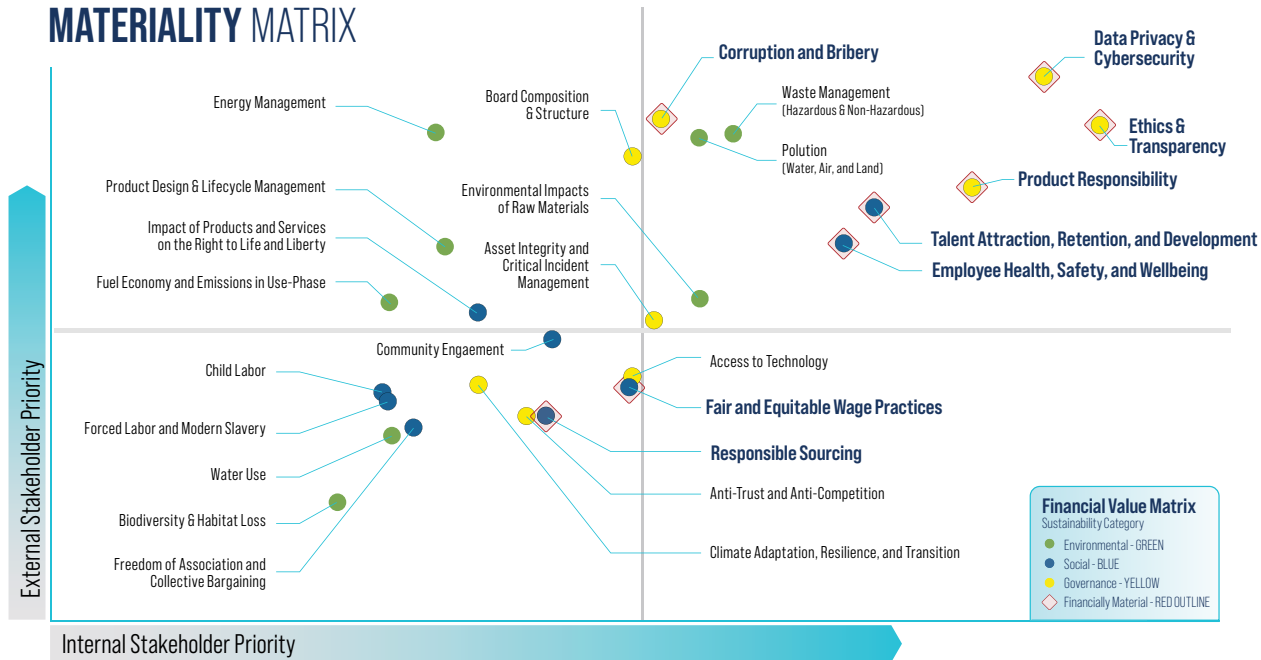


TABLE 1. Definitions of Material Topics

TOPIC	DEFINITION
ACCESS TO TECHNOLOGY	The development of products that support and promote the distribution and access of telecommunications technology to underserved peoples and regions.
ASSET INTEGRITY AND CRITICAL INCIDENT MANAGEMENT	The prevention and control of incidents that can lead to fatalities, injuries, illness, environmental impacts, and damages to local communities or infrastructure.
CORRUPTION AND BRIBERY	The importance of upholding the strong business values that have no tolerance for corruption or bribery within AeroVironment’s operations or value chain. Corruption is the abuse of entrusted power for private gain and includes practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering.
DATA PRIVACY AND CYBERSECURITY	The risk of ensuring transparent business operations and the commitment to conduct business to the highest standards of ethics and integrity.
ETHICS AND TRANSPARENCY	The importance of ensuring transparent business operations and the commitment to conduct business to the highest standards of ethics and integrity.
EMPLOYEE HEALTH, SAFETY, AND WELLBEING	The importance of instilling a culture of supporting complete employee health, safety, and wellness, which incorporates all aspects related to physical and mental health and ensures that all employees have access to safe working conditions and relevant training materials or programs that are appropriate and effective for their job responsibilities.
ENVIRONMENTAL IMPACTS OF RAW MATERIALS	Impacts on the environment caused by processes associated with procuring materials for AeroVironment’s business, including impacts from raw material extraction, smelting, and transformation.
FAIR AND EQUITABLE WAGE PRACTICES	The importance of fair wage practices and commensurate benefits packages for all employees regardless of gender identity, national origin, race, color, creed, sexual orientation, or other background characteristics.
POLLUTION (WATER, AIR, AND LAND)	Impacts of AeroVironment’s operations and value chain on normal ecosystem functions, including air, land, and water pollution.
PRODUCT RESPONSIBILITY	AeroVironment’s commitment to ensuring their products are used in a safe, responsible, and reasonable manner, and the company’s practices that ensure their products are not sold or used by malefactors.
RESPONSIBLE SOURCING	Impacts of direct and indirect suppliers on workers and communities.
TALENT ATTRACTION, RETENTION, AND DEVELOPMENT	Impacts on employees and company performance resulting from attracting talented individuals, supporting their personal and professional development through industry-leading training and professional development programs, and promoting skill acquisition and workforce flexibility.
WASTE MANAGEMENT (HAZARDOUS AND NON-HAZARDOUS)	Environmental impacts associated with hazardous and non-hazardous waste generated by AeroVironment. This includes AeroVironment’s management of solid waste from treatment to handling, storage, disposal, and regulatory compliance. This also includes waste minimization and waste diversion.

MATERIALITY ASSESSMENT (CONT.)

IN ADDITION TO THIS YEAR'S MATERIALITY ASSESSMENT, AeroVironment regularly employs a variety of strategies to maintain an open dialog across our global stakeholder network. This includes teleconferences, in-person meetings, facility tours, surveys, and direct communications. We also maintain an open contact form on our company website to receive general community input, allowing stakeholders to raise concerns.

EMPLOYEES

THE MOST VALUABLE ASSET AND THE DRIVING FORCE BEHIND OUR SUCCESS IS OUR EMPLOYEES. Employees who participated in the materiality assessment ranked AeroVironment's core value performances as average to above average. We believe this reflects how we proactively promote a culture of open communication. Our executives make it a point to be easily accessible and personally approachable by our employees at any level of the organization. To ensure we are hearing from our employees, we host online and in-person employee feedback channels, hold monthly town hall meetings, conduct an annual employee engagement survey, and provide a third-party whistleblower service.

CUSTOMERS

WE REMAIN CLOSELY CONNECTED with our customers as we routinely conduct both in-person and online training sessions on topics such as product implementation, use, and maintenance. We ask our customers to provide us with direct feedback allowing us to continuously improve our products and our training programs. We receive and analyze all customer feedback, including that from our website, direct communication channels, and our engagement surveys, to track specific customer success performance metrics. Beginning in 2023, we have set targets against three new key performance indicators, including customer satisfaction, first contact resolution, and average resolution time.

CUSTOMER SERVICE

KEY PERFORMANCE INDICATORS

Customer Satisfaction (CSAT)	Evaluates service experience using customer support, warranty, training survey responses, and more.
First Contact Resolution (FCR)	Evaluates effectiveness of first customer contact through customer service channels.
Average Resolution Time (ART)	Monitors average resolution times through customer service.

INVESTOR ENGAGEMENT

25+

ANALYST MEETINGS

20+

CONFERENCES & ROADSHOWS

>100

INVESTOR INTERACTIONS

INVESTORS

WE INTENTIONALLY SEEK OUT OPPORTUNITIES TO ENGAGE WITH OUR INVESTORS, soliciting their feedback through various channels throughout the course of the year. In Fiscal Year 2023, more than 14 investors and analysts participated in our materiality assessment, via surveys and interviews. During Fiscal Year 2023, we connected with investors more than 100 times, hosted more than 25 analyst meetings, and participated in more than 20 investor conferences and road shows. Finally, our investors also receive an annual stockholder letter from our Chief Executive Officer containing updates on company performance, our portfolio and future plans.

FOR MORE INFORMATION, PLEASE VISIT THE [INVESTOR RELATIONS](#) SECTION OF OUR WEBSITE.

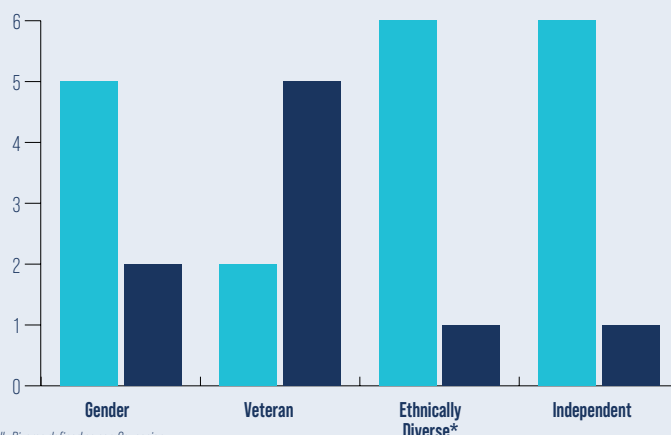
BOARD COMPOSITION & STRUCTURE

BOARD LEADERSHIP

AEROVIRONMENT'S BUSINESS OPERATIONS

ARE overseen by our [Board of Directors](#) (Board). The Board is comprised of seven directors, with six being independent and one being non-independent. The Board holds regular meetings a minimum of four times a year and convenes additional special meetings as required. The Board periodically assesses whether the number of directors is suitable in relation to future operations. The company's bylaws permit the Board to range in size from a minimum of three members to a maximum of 13.

BOARD DIVERSITY INDICATORS



IN COMPLIANCE WITH our [Corporate Governance Guidelines](#), the Board annually appoints one independent director to serve as lead independent director in the event that the Chairperson does not qualify as an independent director. AeroVironment's Chief Executive Officer, Wahid Nawabi, currently serves as Chairman and does not qualify as "independent" under Securities and Exchange Commission (SEC) and NASDAQ stock exchange regulations.

BOARD MEMBER EXPERTISE



BOARD EXPERTISE

THE BOARD MAINTAINS FOUR committees to assist in operations, including [Audit](#), [Compensation](#), and [Nominating and Corporate Governance](#) Committees, along with an [Executive Committee](#). A non-independent chair leads the Board along with an independent director that serves as lead independent director.

FOLLOWING THE END OF EACH FISCAL YEAR, the Board undergoes a self-assessment overseen by the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee also identifies various skills, attributes and experiences in light of the company's needs and business priorities to determine qualification for nomination to the Board. Board members are elected to three-year terms until their resignation or removal, or their successors are duly elected and qualified.

FOR MORE INFORMATION, PLEASE VISIT
THE [CORPORATE GOVERNANCE](#) SECTION OF OUR WEBSITE.

RESPONSIBLE BUSINESS OPERATIONS

AT AEROVIRONMENT, WE SEEK TO SURPASS THE EXPECTATIONS OF ALL STAKEHOLDERS ACROSS EVERY ASPECT OF OUR OPERATIONS. We believe that our technological edge begins with a strong commitment to ethical business practices and a profound sense of purpose. We adhere to applicable laws and regulations and strive to set higher ethical and quality standards when it comes to engaging employees, customers, suppliers, shareholders, and communities. We maintain a robust governance framework that fosters trust, accountability, and transparency throughout the company and the network of relationships we cultivate.

FOR ADDITIONAL DETAILS, PLEASE VISIT [POLICIES AND APPROACHES](#) AS WELL AS [DOCUMENTS AND CHARTERS](#) SECTIONS OF OUR WEBSITE.

ETHICAL POLICIES & PROCEDURES

- ANTI-CORRUPTION POLICY
- CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT
- CODE OF BUSINESS CONDUCT & ETHICS
- CONFLICT MINERALS POLICY
- CORPORATE GOVERNANCE GUIDELINES
- EMPLOYEE STANDARDS OF CONDUCT
- ENVIRONMENTAL POLICY
- EQUAL EMPLOYMENT OPPORTUNITY AND REASONABLE ACCOMMODATION POLICY
- INSIDER TRADING POLICY
- POLICY AGAINST HARASSMENT, DISCRIMINATION, AND RETALIATION PURPOSE
- POLICY ON EMPLOYMENT OF RELATIVES AND INDIVIDUALS IN CLOSE PERSONAL RELATIONSHIPS
- TRADE COMPLIANCE INTERNAL CONTROL PLAN
- QUALITY MANAGEMENT SYSTEM (QMS)

*Additional policies exist internally

ETHICAL BUSINESS CONDUCT AND POLICIES

WE HOLD EACH OF OUR DIRECTORS, company leaders, and employees to the highest standards of ethics and integrity. Our Code of Business Conduct and Ethics Policy reflects the core of AeroVironment's 'Trust and Integrity' company value. Additional policies and procedures have been developed to enhance and reinforce the high standards for which we hold ourselves and our suppliers.

AEROVIRONMENT'S ETHICS PROGRAMS and policies are managed by our Internal Ethics Officer. The Board's Audit Committee, along with our internal audit, legal and compliance departments, are responsible for reviewing and updating the Code of Business Conduct and Ethics annually. They are also responsible for maintaining and monitoring our ethics and compliance hotline. The Audit Committee meets quarterly to receive and review reports of our ethics program from our General Counsel and Chief Ethics and Compliance Officer.

ETHICS HOTLINE

ANONYMOUS AND CONFIDENTIAL
TOLL-FREE PHONE AND WEB-BASED ACCESS
OPERATES 24/7

INDEPENDENTLY RUN BY A THIRD-PARTY PROVIDER
MONITORED, TRACKED, INVESTIGATED
ANTI-RETALIATION PROTECTIONS

BUSINESS ETHICS TRAINING AND COMPLIANCE

ALL AEROVIRONMENT DIRECTORS, company leaders, and employees are expected to review and acknowledge their understanding of and adherence to the content of our Code of Business Conduct and Ethics at least annually. Contractors are also subject to and must agree to follow our Code of Business Conduct and Ethics.

AEROVIRONMENT'S TRADE COMPLIANCE (TC) Department plays a crucial role in ensuring adherence to regulations and laws related to international trade. Its primary responsibility is to ensure that all defense-related exports and imports comply with applicable laws, regulations, and licensing requirements. The TC Department, alongside the People and Culture (P&C) Department, is also responsible for ensuring that all employees, including management, undergo additional ethics and compliance training sessions relevant to their role and function within the company. Training courses include a variety of topics such as anti-harassment, anti-bribery, cybersecurity, export compliance, and more.

AS OF JUNE 2023, 98% of global employees completed the annual trade compliance awareness training. Courses such as this are offered through several channels, including in-person training, webinars, and on-demand platforms such as Workday. Failure to complete mandatory training may result in disciplinary action for the employee. Our suite of training courses is made available to employees through our online portal, allowing us to track and manage completion of all required courses. In compliance with our Recordkeeping Policy, records related to training are maintained for five years by the P&C Department. Furthermore, the Legal and Compliance Department maintains a record of all intermediary training and signed certifications of completion.

IN FISCAL YEAR 2023, THERE WERE NO MONETARY LOSSES AS A RESULT OF LEGAL PROCEEDINGS ASSOCIATED WITH INCIDENTS OF CORRUPTION, BRIBERY, AND/OR ILLICIT INTERNATIONAL TRADE.

2023 BUSINESS ETHICS TRAINING

ANTI-BRIBERY AND
ANTI-CORRUPTION

ANTI-HARASSMENT AND
ANTI-DISCRIMINATION

STRATEGIES FOR DEFEATING
UNCONSCIOUS BIAS

ANNUAL ETHICS &
COMPLIANCE CERTIFICATION

CONFLICTS OF INTEREST
AND SECURITIES TRADING

GENERAL COMPLIANCE
AWARENESS

HANDLING OF CONFIDENTIAL
AND CLASSIFIED INFORMATION

POLITICAL CONTRIBUTIONS

TRADE COMPLIANCE
AWARENESS

WHISTLEBLOWER SERVICE AND POLICY

WE ENCOURAGE EMPLOYEES, clients, suppliers, stockholders, and other impacted parties to make inquiries and report any known or suspected violations of AeroVironment's Code of Conduct, other policies and procedures, or laws and regulations through our ethics and compliance hotline. This service is available 24 hours a day, seven days a week, and is provided by an independent third-party provider. The use of a third-party hotline allows individuals to make reports anonymously, where legally permissible. Supervisors, managers, and officers who receive reports of misconduct must immediately notify the Ethics Officer.

THE P&C AND LEGAL and Compliance departments are responsible for receiving and handling issues raised through the hotline as well as other reporting mechanisms. Concerns are evaluated and investigated in accordance with AeroVironment policies and procedures and in compliance with local laws and regulations. Final reports are provided to the Audit Committee on a quarterly basis, or more frequently if needed, with respect to the information received through the hotline and any related findings.

AEROVIRONMENT PROHIBITS RETALIATION against anyone who reports a violation or participates in an investigation in good faith. There are processes in place to address such conduct if needed. All confidential reports made through the hotline are honored as such and to the extent possible.

INFORMATION SECURITY & DATA PRIVACY

AT AEROVIRONMENT, we are committed to treating the data of our customers, suppliers, employees, and other stakeholders with utmost care, adhering to principles of safety, legality, and ethics. As an international government contractor, we take comprehensive measures to safeguard our contracts' data and privacy while ensuring compliance with relevant data security and privacy regulations.

WE ADHERE TO THE GUIDELINES set forth in the National Institute of Standards and Technology Special Publication (NIST SP) 800-171. This special publication outlines recommended requirements for ensuring the protection and confidentiality of controlled unclassified information. Our cybersecurity plan also aligns with the guidelines of [NIST SP 800-171](#) to safeguard data and fortify our defenses against potential breaches. Additionally, our incident response protocols and procedures are in accordance with U.S. Government guidelines.

OUR INTERNAL CYBERSECURITY TEAM IS ENHANCED BY THE SUPPORT OF SEVERAL THIRD-PARTY RESOURCES, STRENGTHENING OUR OVERALL SECURITY POSTURE. Furthermore, we invest resources into cutting-edge technologies, conduct regular penetration testing, and continue to follow industry best practices to protect against threats. These proactive steps are implemented to safeguard our systems and mitigate potential threats.

PRIVACY POLICY

OUR [PRIVACY POLICY](#) PROVIDES COMPREHENSIVE INFORMATION ABOUT THE DATA WE COLLECT, THE METHODS OF COLLECTION, AND THE GUIDELINES THAT GOVERN THE UTILIZATION OF CUSTOMER INFORMATION, INCLUDING COMPLIANCE WITH THE GENERAL DATA PROTECTION REGULATION (GDPR). This policy ensures transparency in the measures we take to safeguard customer data, our data retention practices, and how customers can exercise their rights in relation to the policy. Unless explicitly permitted for expected business functions, we do not share customer data with third parties. Our corporate Privacy Policy incorporates the [California Consumer Privacy Act \(CCPA\)](#) privacy policy and applies to all of AeroVironment's business divisions. We support the guidelines and regulatory requirements provided in the Children's Online Privacy Protection Act of 1998 (COPPA).

WITHIN OUR ORGANIZATION, WE PLACE A HIGH PRIORITY ON DATA PRIVACY AND CYBERSECURITY TRAINING, CERTIFICATION, AND COMPLIANCE. We ensure that all employees receive regular cybersecurity awareness training, focusing on best practices, awareness, prevention, and remediation in relation to cybersecurity and privacy matters. This commitment ensures that our workforce is well-equipped to handle these critical aspects of our operations.

OUR BOARD OF DIRECTORS OVERSEES OUR CYBERSECURITY APPROACH BY REVIEWING RELEVANT TOPICS AT LEAST ANNUALLY. Our company leaders manage cybersecurity practices across the company and its divisions to ensure conscientious, responsible practices are upheld at every level of our organization.

FOR FURTHER DETAILS, OUR [PRIVACY POLICY](#), [TERMS AND CONDITIONS](#), AND OTHER STATEMENTS ARE AVAILABLE ON OUR [WEBSITE](#). FOR ADDITIONAL INFORMATION ON OUR POLICIES AND PROCESSES GOVERNING INTERACTIONS OF OUR INTERMEDIARIES, PLEASE [CONTACT US](#).

RESPONSIBLE SUPPLIER PRACTICES

WE ARE RELENTLESS in our efforts to push the boundaries of our capabilities, delivering technology and solutions that provide valuable new capabilities to our customers. To achieve this, we need suppliers who are equally passionate in their commitment to excellence in order for us to be successful as a company. We see our suppliers as an extension of our own operations, and therefore have strict requirements for our suppliers.

Our [Supplier Portal](#) provides current and potential suppliers with the information necessary to begin and maintain a successful relationship. This includes details on our standards, our philosophy, terms and conditions, as well as information on technical innovation, quality and performance, and ethical commitments.

WE EXPECT OUR SUPPLIERS to provide value-added products and services. We evaluate and score our suppliers based on their adherence to our policies, their technical capability, product and service quality, responsiveness, financial strength, and more. Therefore, we must be aligned on our journey to reduce costs, improve productivity, and reduce our impact on the environment.

WE HOLD OUR SUPPLIERS to the same ethical business standards that we adhere to, including laws pertaining to bribery, child labor, human trafficking, privacy, safety, and the environment. Additionally, we require suppliers to adopt policies and practices for proper due diligence when it comes to tracing and sourcing materials. This includes our [Conflict Minerals Policy](#) as well as the [California Transparency and Supply Chains Act of 2010](#). Additional details concerning fair labor, responsible sourcing, and ethical human rights practices are found in our [Supplier Quality Requirements Manual](#). These measures collectively reinforce our commitment to ethical and responsible sourcing throughout our supply chain.

TRACING CONFLICT MINERALS THROUGH our global supply chain is challenging, especially as we are a downstream supplier and are several steps removed from the mining of such minerals. We have implemented a conflict mineral compliance program which is designed to meet our SEC reporting obligations with regards to sourcing from the Democratic Republic of the Congo (DRC) and other covered countries. Our program aligns with the framework outlined in the Organisation of Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and the related supplements for tin, tantalum, tungsten, and gold (3TG). We have conducted a reasonable country of origin inquiry (RCOI) in good faith to evaluate the origination of purchased minerals. Following the evaluation, we performed due diligence on the source and chain of custody of the 3TG in question to determine our products are “DRC Conflict-Free.”

TO ENSURE COMPLIANCE with our policies and procedures, we routinely audit and assess our suppliers. These audits consider quality systems, surveillance, product processes, commodities, and capacity. In Fiscal Year 2023, we conducted ten quality management system audits of our at-risk suppliers which scored low on our supplier scorecard, and Corrective Action Requests (CARs) were generated for deficiencies found. The response to resolving CARs in a timely manner and/or severity of the audit findings determines the path forward with the supplier, including up to contract termination. The supplier scorecard is reviewed in management review meetings to ensure that leadership is aware of any supplier performance issues and subsequent actions.

MINIMUM SUPPLIER REQUIREMENTS

ISO 9001:2015 COMPLIANT // MINIMUM
AS9100D CERTIFIED SUPPLIERS // PREFERRED

Suppliers shall fill out our [Supplier Initial Survey](#) to be reviewed for approval into AeroVironment’s Approved Supplier List (ASL)

Suppliers shall conform to the requirements of our Supplier [Quality Requirements](#) Manual

Suppliers shall conform to all requirements flowed down via procedures, drawings, etc. according to [Part Identification and Serialization](#)

Suppliers shall use [Supplier Process Change & Deviation Request](#) to request engineering changes or deviation

RESPONSIBLE SUPPLIER PRACTICES (CONT.)

INVESTMENT IN DIVERSE SUPPLIERS

\$51.4 M

SPENT WITH SMALL
BUSINESS SUPPLIERS

\$1.9 M

SPENT WITH
MINORITY-OWNED SUPPLIERS

\$2.0 M

SPENT WITH
FEMALE-OWNED SUPPLIERS

SUPPLIER DIVERSITY

We seek diversity in every aspect of our business, including through suppliers which can meet our responsible business standards and our company needs. We recognize that a diverse supply base strengthens competition, supports local economies, and brings additional innovative thought. We continue to develop and expand our supplier base as a means to exemplify innovation, customer commitment, and integrity.

AeroVironment provides equal opportunities to participate and compete for the procurement of products and services. During 2023, we engaged with more than 1,200 global suppliers who can meet and support our growing business needs.

Through our Small Business Participation Plan, we are dedicated to maximizing our engagement with small businesses, including those owned by disadvantaged individuals, women, veterans, and disabled veterans, particularly in our contracts with the U.S. Federal Government. For more information please see our [Small Business Subcontract Policy and Standard Operating Procedure](#).

TO LEARN MORE ABOUT OUR SUPPLIER EXPECTATIONS AND REQUIREMENTS, PLEASE VISIT THE [SUPPLIERS](#) SECTION OF OUR WEBSITE.

SAFETY AT AEROVIRONMENT

AS PART OF OUR CORE VALUE OF OWNERSHIP AND RESULTS, WE ACT IN THE INTEREST OF ALL OUR STAKEHOLDERS, BEYOND OURSELVES AND OUR TEAMS. As such, AeroVironment takes a comprehensive approach to safety, encompassing the safe operation of our products, the safety of our workforce, and the safety and security enabled by our products.

ALL EMPLOYEES, CONTRACTORS, VENDORS, AND CUSTOMERS ARE SCREENED USING THIRD-PARTY TOOLS AND SYSTEMS LINKED TO MULTIPLE WATCHLISTS BEFORE THEY MAY ENGAGE WITH OR INTERACT WITH AEROVIRONMENT. The Director of Trade Compliance and the TC Department oversee the Restricted Party Screening Procedure.



CUSTOMER SAFETY AND INTEGRITY

AeroVironment is committed to ensuring its products are used in a safe, responsible, and reasonable manner and employs practices that ensure its products are not sold to or used by malefactors.

AEROVIRONMENT MAINTAINS A ROBUST TRADE COMPLIANCE PROGRAM IN COMPLIANCE WITH U.S. export laws and regulations, including International Traffic in Arms Regulations (ITAR) and Export Administration Regulations (EAR) which regulate the export of many of our products and services. At AeroVironment, we have a dedicated team tasked to monitor and interpret regulatory requirements, apply export controls to our products and technologies, obtain and administer licenses and authorizations, screen all parties that we as an enterprise interact with, conduct jurisdiction and classification analyses of our products, provide internal training and awareness, maintain records, audit our policies and records, and perform risk management.

ADDITIONALLY, EACH CUSTOMER ORDER RECEIVED IS VETTED THROUGH OUR CONTRACTS DEPARTMENT AND THEN ENTERED INTO OUR INTERNAL DATABASE. Any Federal Acquisition Regulation (FAR) requirements are flowed down automatically and tracked to each individual customer order. We have a standard set of FAR and Defense Federal Acquisition Regulation (DFAR) flow downs that are automatically included on all Purchase Orders in addition to AeroVironment's standard set of Commercial Terms and Conditions and the U.S. Government-required Terms and Conditions. This information is readily available on our company [website](#). Our purchasing system has been approved by the Defense Contract Audit Agency (DCAA) with the most recent approval in 2022 and was reconfirmed in 2023.

WE PROVIDE COMPREHENSIVE TRAINING TO OUR CUSTOMERS ON THE SAFE USE AND OPERATION OF OUR STATE-OF-THE-ART UNMANNED ROBOTICS SOLUTIONS. DEPENDING ON THE PRODUCT AND SERVICES, we offer interactive digital training to aid in the retention of information. Our Field Service Representatives provide on-site support and act as the liaison between customers and the AeroVironment engineering teams. We also offer program management and subject matter expert (SME) support.

AEROVIRONMENT'S CERTIFIED ISO-9001:2015 AND AS9100D PRODUCTION AND SERVICE FACILITY ENSURES THAT WE PROVIDE A HIGH LEVEL QUALITY MANAGEMENT SYSTEM TO OUR CUSTOMERS. IN FISCAL YEAR 2023, we began tracking customer satisfaction metrics. We are proud to report that our First Contact Resolution (FCR) rate is at 97% and our customer satisfaction rate exceeds 95%.

PRODUCT EXCELLENCE AND INTEGRITY

OUR CUSTOMER COMMITMENT IS TO VIGOROUSLY WORK TO EARN AND KEEP OUR CUSTOMERS' TRUST. We do so by understanding, anticipating, and responding with agility to their needs. To do this, we continuously leverage our team's deep subject matter expertise and have operating procedures in place to ensure product performance exceeds industry standards. In addition to our Airworthiness (AW) Process and Quality Assurance programs in place, we have implemented Safety Engineering Process Procedures, Safety Design Guidelines, and have a System Safety Program Plan.

WHEN IT COMES TO EXPORTED PRODUCTS, OUR CUSTOMERS ARE REQUIRED TO ADHERE TO U.S. Government regulations, which include complying with approved product uses and prohibition of reselling or transferring ownership without prior approval from the U.S. Government. Through the Blue Lantern program, the U.S. Department of State conducts pre-license, post-license/pre-shipment, and post-shipment checks to verify end users receive the legitimate equipment and are using it for its intended purposes. Additional validation checks are conducted on highly sensitive equipment. We also have policies and procedures in place to help validate equipment, including [Part Identification and Serialization](#) to prevent and minimize counterfeit products.

THROUGHOUT THE PRODUCT LIFECYCLE, we continually evaluate safety and design quality. Our quality system processes consistently meet or exceed the prevailing industry standards. We maintain certification and compliance of our quality management system with the [ISO-9001:2015 and AS9100D](#) standards at five of our locations in California and Massachusetts. These certifications involve regular audits performed by a third-party accredited registrar, ensuring that our quality management system complies with the established standards.

SWITCHBLADE 300 BLOCK 20



DISTINCTIONS



»» **RANGE**
20+ km



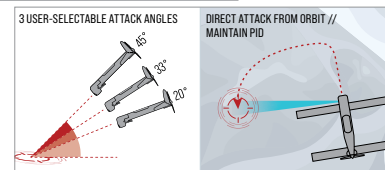
»» **ENDURANCE**
20+ min



»» **WEIGHT**
Munition: 4 lb (1.8 kg), AUR: 8 lb (3.6 kg)



»» **SPEED**
Loiter: 63 mph (101 km/h)
Sprint: 100 mph (161 km/h)



SPECIFICATIONS

FIRE CONTROL SYSTEM	Tablet-based FCU with Tap-to-Target guidance with built-in mission planner and training simulator; interoperable with Switchblade 600 FCU
TARGETING OPTICS	Enhanced EO/IR with forward to left hand panning camera suite
OPERATING ALTITUDE	Flight <500 ft (152.4 m) AGL; supports operation >15,000 ft (4572 m) ASL
LAUNCH METHOD	Self-contained launcher for ground, air & maritime; configurable multipack capability
LETHALITY	Anti-personnel effects; precision strike with low collateral effects
TACTICAL LOAD-OUT	AUR: 8 lb, fits inside rucksack (includes payload, launcher, transport bag)

SAFETY AT AEROVIRONMENT [CONT.]

OUR CONTINUOUS IMPROVEMENT TEAM IS comprised of skilled professionals trained in Six Sigma and Lean Six Sigma tools and techniques for target-focused process improvement. Working simultaneously with our quality management system, this team consistently delivers exceptional quality to our customers while adding value to our product lines through their dedication to improving process efficiencies and minimizing waste.

TO ENSURE THE UTMOST PRECISION in our instruments, we engage an independent vendor certified by the National Institute of Standards and Technology (NIST) to maintain our instrument calibrations. This partnership guarantees that our calibrations are maintained at the highest level of accuracy.

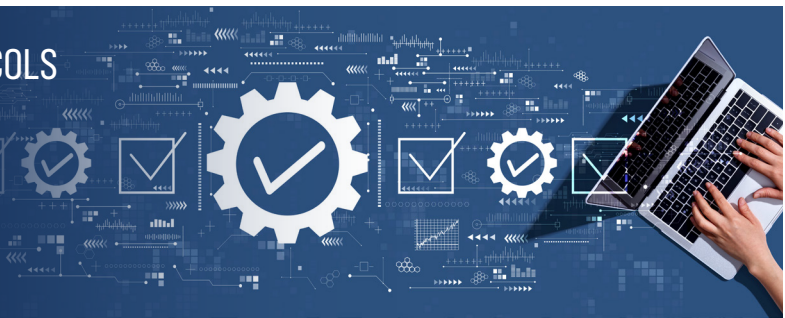
QUALITY MANAGEMENT SYSTEM PROTOCOLS

AEROVIRONMENT SAFETY MANAGEMENT SYSTEM

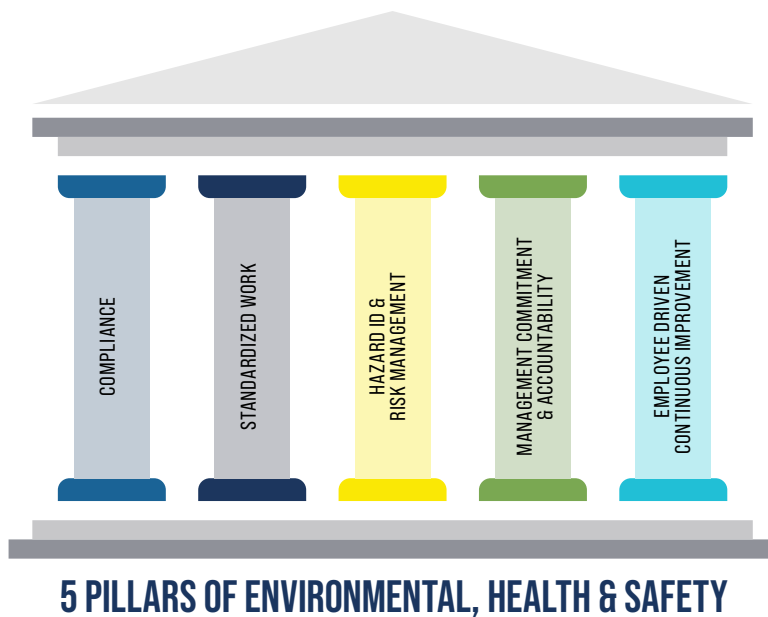
AV PRODUCT DEVELOPMENT FRAMEWORK

AIRWORTHINESS PROCESS

ENGINEERING PRODUCT DEVELOPMENT PROCESS



EMPLOYEE HEALTH, SAFETY & WELLNESS



AT AEROVIRONMENT, SAFETY IS critical to our mission, therefore we invest in building and maintaining a proactive safety culture. This approach, coupled with targeted programs and policies, ensures safe working conditions, a healthy working environment, and a resilient workforce opens the pathway for quality research, development, and production across our operations.

OUR ENVIRONMENTAL, HEALTH, AND SAFETY Management System considers the health and safety risks present within our operations, incorporating applicable local laws and regulations to ensure compliance. This includes, for example, all applicable U.S. Occupational Safety and Health Administration (OSHA) and Department of Transportation (DOT) regulations and requirements.

SAFETY POLICIES AND INITIATIVES

SAFETY AT AEROVIRONMENT IS NON-NEGOTIABLE and our employees know this and acknowledge this requirement, which is a deeply-rooted aspect of our company culture. As part of our annual employee engagement survey, 94% of our colleagues said that AeroVironment is a physically safe place to work.

AS PART OF OUR INJURY AND ILLNESS PREVENTION PROGRAM (IIPP), WE HOST FORMALIZED TRAINING TO ENSURE EMPLOYEES UNDERSTAND OUR POLICIES AND PROCEDURES, AS WELL AS UNDERSTAND DESIGNATED RESPONSIBILITIES REGARDING SAFETY. Additionally, we recently introduced a formal contractor safety program to further enhance the safety of our operations for everyone. AeroVironment remains compliant with all federal government contractor regulations for COVID-19 vaccinations and regulations including the U.S. Safer Federal Workforce Task Force.

THROUGHOUT THE YEAR, WE UNDERGO ROUTINE SAFETY AUDITS AND INSPECTIONS TO IDENTIFY IMPROVEMENT OPPORTUNITIES AND NEW RISKS. We also conduct root-cause investigations to identify and implement corrective actions, should the need arise. In Fiscal Year 2023, we conducted a total of 15 internal and external audits across our operations covering topics such as safety, health, and compliance.

FAILURE TO COMPLY WITH AEROVIRONMENT'S ENVIRONMENTAL HEALTH AND SAFETY STANDARDS OR REGULATIONS MAY LEAD TO DISCIPLINARY ACTIONS, UP TO AND INCLUDING TERMINATION. Employees are critical to the success and safety of our operations; therefore, they are provided direct channels to speak up, ask for guidance, and report concerns regarding any potential or known ethical or safety violations. We review and address concerns raised by employees, taking appropriate actions to ensure that our values as well as policies and procedures are upheld.

- INJURY AND ILLNESS PREVENTION PROGRAM
- HEALTH & SAFETY POLICY
- ROLES & RESPONSIBILITIES
- INCIDENT REPORTING & INVESTIGATION
- INSPECTION & RECORDS
- HEALTH SURVEILLANCE
- SAFETY PROCEDURES
- EMERGENCY PROCEDURES
- SUPPORTING FORMS & CHECKLISTS

GLOBAL SAFETY PROGRAMS

HAZARD COMMUNICATION PROGRAM
HAZARDOUS MATERIAL HANDLING
LABELING

SAFETY DATA SHEETS
PERSONAL PROTECTIVE EQUIPMENT
MACHINE GUARDING

LOCKOUT / TAGOUT
MATERIAL CUTTING, WELDING, BRAZING
LASER SAFETY
BLOODBORNE PATHOGENS

CONFINED SPACES
DEPARTMENT OF TRANSPORTATION (DOT) COMPLIANCE
EMERGENCY RESPONSE
ERGONOMICS

* Additional training beyond this list is provided based on job function and need.

ENVIRONMENTAL MANAGEMENT

BUILDING UPON OUR GLOBAL SAFETY PROGRAMS, DRIVEN BY OUR PURPOSE AND PROMISE TO SECURE LIVES, AND ADVANCE SUSTAINABILITY THROUGH TRANSFORMATIVE INNOVATION, AEROVIRONMENT STANDS TO PROTECT THE ENVIRONMENT THROUGHOUT OUR OPERATIONS AND THE BROADER GLOBAL VALUE CHAIN. This commitment to environmental awareness and preservation is adopted throughout our company. We believe that sustainable business practices translate to strong financial performance as well as build customer loyalty, and improve employee engagement, while also strengthening the relationship we have with the communities in which we work, live, and operate.

IN ADDITION TO OUR QUALITY CERTIFICATIONS, we also hold certifications for environmental management such as [ISO14001:2015](#), storm water discharge “No Exposure Certification,” and ensure compliance with applicable air pollution permits as established by local laws and regulations. We conduct both internal and external audits to ensure we remain in compliance with our own policies as well as those set forth by regulators. In addition to the 15 audits EH&S conducted on our facilities this year, our California sites undergo weekly hazardous waste inspections.

FURTHERMORE, we are assessing how climate change impacts our value chain and are preparing for future regulatory requirements. As outlined in our Environmental Policy, we are exploring environmental objectives such as:

- **TO CONSERVE** natural resources and minimize waste through source reduction and recycling;
- **TO HANDLE** and dispose of waste through safe, environmentally responsible methods;
- **TO ENCOURAGE** energy efficiency and the use of renewable energy sources; and
- **TO ENCOURAGE** our business partners and suppliers to strive for the same high levels of environmental performance



1. Comply with environmental regulations;
2. Conduct operations in an environmentally sound manner to prevent pollution;
3. Apply the principles of reduce, reuse and recycle in all processes;
4. Promote environmental responsibility among our employees;
5. Strive to ensure that suppliers agree to comply with environmental regulations;
6. Clearly communicating AeroVironment's environmental policy, practices and impact to interested parties;
7. Pursue continuous improvement in our environmental performance;
8. Train, educate, and inform our employees about environmental issues that may affect their work;
9. Avoid unnecessary use of hazardous materials and products, seek substitutions when feasible, and take all reasonable steps to protect human health and the environment when such materials must be used, stored and disposed of; and
10. Purchase and use environmentally responsible products accordingly

FOR MORE INFORMATION, PLEASE SEE OUR [ENVIRONMENTAL POLICY](#) AND THE [SUSTAINABILITY](#) SECTION OF OUR WEBSITE.

ENERGY EFFICIENCY

EFFICIENCY IN OUR PORTFOLIO

SINCE THE CREATION OF AEROVIRONMENT, OUR FOUNDER DR. Paul B. MacCready, Jr., sought to embed sustainability into every aspect of our company. As a solar energy pioneer, he led the development of the solar-powered [Sunraycer](#) racecar, unlocking new potential for solar operations. Following his lead, AeroVironment continues to incorporate sustainability into the research and development of our products.



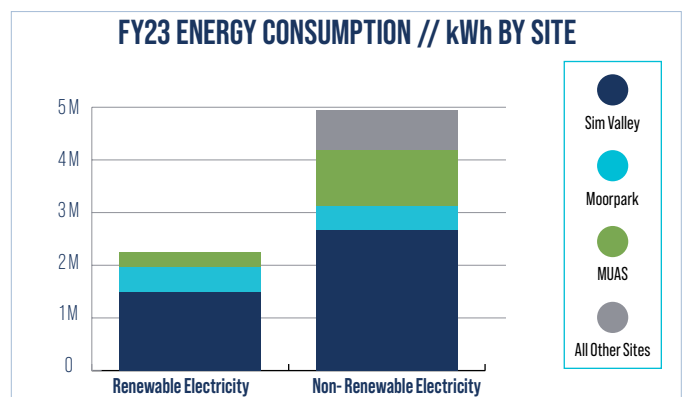
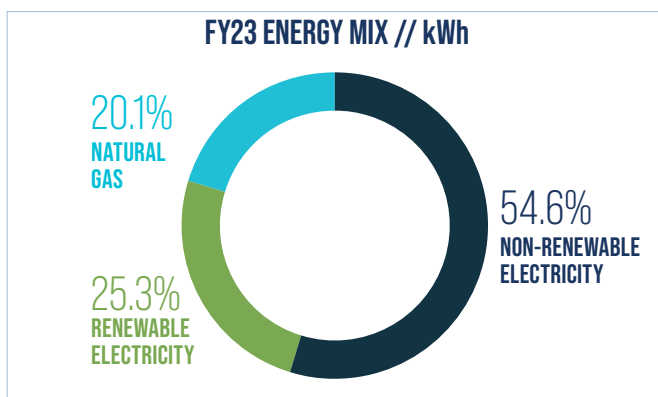
WE ARE PROUD THAT AEROVIRONMENT HAS BECOME ONE OF THE LARGEST ELECTRIC UNMANNED AIRCRAFT SYSTEMS (UAS)

MANUFACTURERS, delivering a suite of zero-emission, energy efficient, battery-powered UAS as well as stratospheric, solar powered UAS for global connectivity. These innovative vehicles are designed to deliver valuable new capabilities to their users while reducing their footprint and environmental impact. We also continue to develop equipment with smaller environmental footprints and reduce resource burdens on end-users. In addition to improved energy efficiencies, with increasing advancements in communications technology, we are able to enhance user safety by expanding the distance between operator and vehicle. Our MacCready Works Advanced Solution team continues to push the boundaries of modern technology. Today, roughly 80% of our product portfolio is battery powered.

EFFICIENCY IN OUR OPERATIONS

ENERGY EFFICIENCY IS A KEY COMPONENT TO OUR BUSINESS MODEL, NOT ONLY WITHIN OUR PRODUCT PORTFOLIO, BUT ALSO WITHIN OUR OPERATIONS. As part of our Environmental Policy, we pursue continuous improvement in our environmental performance.

WE PROMOTE ENERGY EFFICIENCY WITHIN OUR OPERATIONS. In Fiscal Year 2023, our United States locations consumed approximately 9,000,000 kWh of energy. Of this, roughly 80% is electricity supplied through the grid, with the rest of our energy mix coming from natural gas. This past year, of the more than 7,000,000 kWh of electricity consumed, we paid additional fees to our electricity providers to ensure that over 30% came from renewable sources. We continue to investigate options to expand renewable energy sources.



OUR CALIFORNIA LOCATIONS, which represent more than 70% of our US-based energy consumption, are using the [Clean Power Alliance](#) which derives energy from renewable sources. We pay a premium to our energy providers to ensure that specific percentages of our energy are from renewable sources. This program in turn promotes increasing availability of energy from renewable sources. Our renewable electricity purchases remained stable at 22%, 36% and 50% across our Petaluma, Simi Valley, and Moorpark locations respectively compared to last year.

WATER USE & CONSERVATION

WE RECOGNIZE THAT WATER IS OF GROWING CONCERN FOR SEVERAL INDUSTRIES AND VARIOUS STAKEHOLDERS. HOWEVER, our operations and our products are not considered to be high water consumers. Regardless, we do consider the impacts of water as it relates to resource responsibility, environmental compliance, and through the lens of the social license to operate.

We continue to maintain our “No Exposure Certificate” through the local and federal Environmental Protection Agency (EPA).

WATER WITHDRAWALS TO OUR PRODUCTION AND OFFICE FACILITIES ARE USED PRIMARILY FOR HYGIENIC PURPOSES. OUR WATER WITHDRAWALS FOR OUR OFFICE FACILITIES ARE OFTEN NOT SEPARATELY METERED AND ARE INCLUDED WITHIN LEASING CONTRACTS. ACROSS OUR PRODUCTION FACILITIES IN THE UNITED STATES, we withdrew more than 14,000 cubic meters (m3) of municipal water. In 2022, California’s State Water Board adopted a statewide emergency water conservation regulation. In compliance with the ruling, which impacted several of our locations, we reduced landscape watering on our campuses. Across our U.S.-based operations, we have ultimately reduced our water withdrawals by more than 10,000 m3 compared to last year, despite the addition of two new MUAS locations.

ANY POTENTIAL WATER-RELATED POLLUTION OR CONTAMINATION IS MONITORED THROUGH OUR ENVIRONMENTAL HEALTH AND SAFETY PROGRAM. AS PREVIOUSLY STATED, failure to comply with AeroVironment’s Environmental Health and Safety standards or regulations may lead to disciplinary actions, up to and including termination. Likewise, any stakeholder is encouraged to directly [contact us](#) or raise a concern through our ethics and compliance [hotline](#). We review and address complaints raised in good faith, taking appropriate actions to ensure that our values are upheld and that the environment and surrounding communities are not disadvantaged by our operations.

WASTE MANAGEMENT

AEROVIRONMENT’S ENVIRONMENTAL POLICY INFORMS OUR APPROACH TO WASTE MANAGEMENT. The policy is multi-faceted with the expectation to be compliant with all environmental regulations, to be resource efficient, prevent pollution, and to operate in an environmentally responsible manner. We have additional supporting policies and procedures to further reinforce our commitment to environmental health and safety such as our Chemical Hygiene Plan, Hazardous Material Management Plan, Hazard Communication Program, and more.

AS PART OF OUR ENVIRONMENTAL, HEALTH AND SAFETY PROGRAM, WE TRAIN OUR EMPLOYEES ON WASTE MANAGEMENT AND HAZARDOUS MATERIALS, INFORMING THEM OF PROPER STORAGE AND DISPOSAL METHODS IN ACCORDANCE WITH LOCAL AND FEDERAL REGULATIONS.

Materials which cannot be recycled or reused are ultimately disposed of in compliance with local and federal regulations. At this time, we do not collect waste information at the corporate level. In Fiscal Year 2023, we did not have any reportable spills.

Our partnership with the Simi Valley Education Foundation extends back to 2017.

AEROVIRONMENT CONTINUES TO OPERATE A ROBUST ELECTRONIC WASTE (E-WASTE) RECYCLING PROGRAM WHICH CAPITALIZES ON SALVAGING COMPONENTS FROM OBSOLETE TECHNOLOGY. Through this program we reduce the amount of e-waste, including hazardous waste, which would otherwise go to landfills. The revenue we generate from the waste recycling program at our Simi Valley and Moorpark locations are then donated back to the [Simi Valley Education Foundation](#).

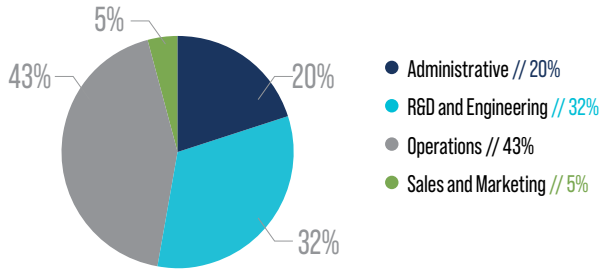
EMPLOYEE WORKFORCE

WORKFORCE DISTRIBUTION AND DEMOGRAPHICS

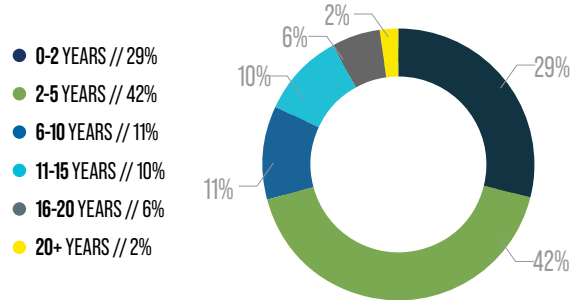
WE HOLD STEADFAST IN OUR BELIEF THAT AEROVIRONMENT'S MOST VALUABLE ASSET IS OUR PEOPLE. Our global workforce is composed of four core company functions to support our business and operations.

IN FISCAL YEAR 2023, our global workforce population was 1,279 employees, of which 99% were considered full-time employees. We hired 228 new employees, replacing 227 employees who were either terminated or retired.

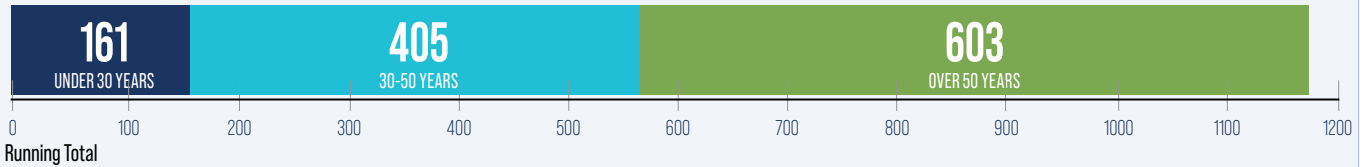
WORKFORCE DISTRIBUTION BY FUNCTION



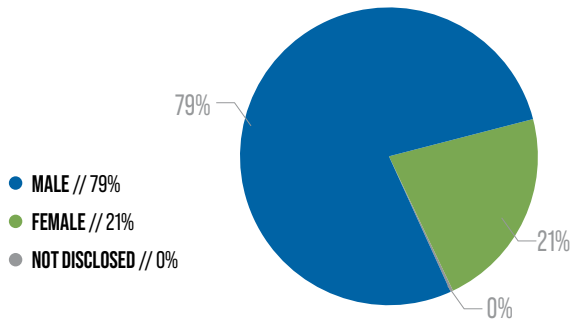
GLOBAL WORKFORCE TENURE



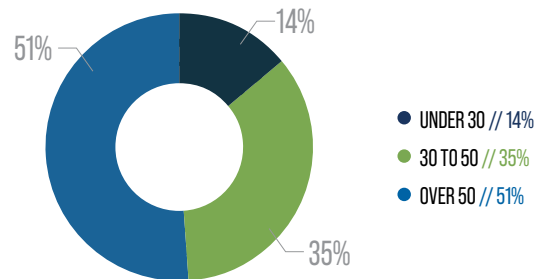
NUMBER OF U.S. EMPLOYEES BY AGE



PERCENTAGE OF U.S. WORKFORCE BY GENDER



PERCENTAGE OF U.S. WORKFORCE BY AGE



TALENT RETENTION, DEVELOPMENT, AND ATTRACTION

AT AEROVIRONMENT, our employees are the heart, brains, and spirit of our operations. As an employer, we listen attentively to our workforce, and we are committed to understanding their needs. When we take care of our team, it unlocks potential for new innovations and drives results.

EMPLOYEE RETENTION

AEROVIRONMENT IS DEDICATED TO ATTRACTING, fostering, and retaining the best and brightest minds. We intentionally align our employee development program with our employee retention strategies. We know these programs are working as demonstrated by our employee engagement responses and through our tenured workforce. Through Fiscal Year 2023, more than 30% of our employees have been at AeroVironment for over six years.



EMPLOYEE TRAINING AND DEVELOPMENT

AT AEROVIRONMENT, we offer a variety of career development opportunities to support our lifelong learners including training courses, educational assistance programs, and tuition assistance programs. We aim to enhance our employees' knowledge and skills to meet their own personal and career development goals through our programs while strengthening our workforce capabilities.

AEROVIRONMENT OFFERS OUR EMPLOYEES an in-depth library of self-paced training and resources. With over 600 courses currently available, training and coaching programs cover topics such as leadership development, people management, regulatory and policy compliance, and functional skills. Managers and employees are required to complete specific annual, periodic, and ongoing training programs specific to their roles and responsibilities

EMPLOYEE TRAINING PROGRAMS

Annual Ethics Certification // Anti-Bribery and Anti-Corruption // Anti-Harassment // Cybersecurity // Classified Information Handling // Strategies for Defeating Unconscious Bias // Insider Trading // International Trade Compliance // SPARK Leadership // FranklinCovey Leadership Foundations

IN ADDITION TO COMPANY-FACILITATED TRAINING, we support and encourage our employees' pursuit of additional learning opportunities. Our education assistance and training program covers company-required and non-required instruction including seminars, conferences, online classes, webinars, and classroom teaching. AeroVironment also offers a tuition reimbursement program to assist eligible employees with reaching their educational goals at accredited institutions. We also offer a mentorship program that provides a structured environment for professionals to learn from one another in a self-guided environment.

IN 2023, we began a new employee onboarding event to showcase the company's products and share our company values.

As part of our commitment to fostering trust and teamwork, we encourage our leaders with five or more direct reports to complete a yearly action plan where they focus on areas for improvement and how to accentuate the identified strengths of their team.

LEADERSHIP DEVELOPMENT

SPARK IS AEROVIRONMENT'S LEADERSHIP and professional development program. The program is made up of a comprehensive series of workshops, assessments, coaching, and mentoring for every employee. These workshops are engaging, timely, and relevant to AeroVironment's goals and objectives, each aligning with our stated values and competencies.

IN FISCAL YEAR 2023, we rolled out a new partnership with FranklinCovey to implement The 6 Critical Practices of Leading a Team™. This program is a special collection of relevant, practical resources that provide leaders with the mindsets, skillsets, and toolsets needed to excel in their critical roles of leading others effectively. We had over 90% of participation from people managers.



- SHARE** information
- PLAY** to strengths
- ASK** for input and appreciate different ideas
- RECOGNIZE** and respond to individual needs
- KEEP** your commitments



EMPLOYEE RECRUITMENT AND INTERNSHIPS

EACH YEAR, we offer the opportunity for college interns to work alongside some of the most innovative and creative minds in the industry. During the program, participants are faced with real world problems that need new, groundbreaking solutions. While they are with us, these interns gain the knowledge and skills to work through the various phases of research and design, engineering, manufacturing, marketing, and sales.

AS A RESULT OF OUR ONGOING COMMITMENT TO FUTURE GENERATIONS OF TALENT, AeroVironment was recently selected as a [WayUp Top 100 Internship Program](#) participant. We are proud to participate in this program that helps match college students and recent graduates with internships and potential careers. In Summer 2023, we proudly hosted 40 interns and are excited to keep the program growing.

IN ADDITION TO SEEKING INTERNS, WE PARTICIPATE IN A VARIETY OF INDUSTRY-SPECIFIC TALENT ATTRACTION ACTIVITIES THROUGHOUT THE YEAR. We attend events like MassRobotics, the Women's Engineering International Conference (WE22), as well as a number of college career fairs. We post job openings on our website as well as on various job boards.

We're Looking for our Next Generation of Explorers

FOR MORE INFORMATION ABOUT HIRING OPPORTUNITIES, PLEASE VISIT OUR TALENT OUTREACH [WEBSITE](#).





EMPLOYEE ENGAGEMENT

AEROVIRONMENT PARTNERS WITH GREAT PLACE TO WORK, Inc., and for the last four years has proudly been certified as a [Great Place to Work](#) company. This coveted status is based on exceptionally high ratings by our employees worldwide which are shared during certification. We are committed to making our employees' experience a priority and take immense pride in our continued certification.

AS OF JULY 2022, 69% of respondents calling AeroVironment a great place to work, as compared to 57% of employees at a typical U.S.-based company, according to Great Place to Work. Our next survey will be conducted in August 2023.

86%

I am able to take time off from work when I think it's necessary.

84%

When you join the company, you are made to feel welcome.

83%

I'm proud to tell others I work here.

81%

People here are given a lot of responsibility.

81%

When I look at what we accomplish, I feel a sense of pride.

OUR EMPLOYEES KNOW AND UNDERSTAND HOW THEIR WORK FITS INTO THE PROCESS OF BRINGING PRODUCTS FROM CONCEPT THROUGH TESTING TO PRODUCTION. Our solutions help customers do more with less, however we believe in helping employees do more, with more. More open communication. More teamwork. More challenges. More success.

BRAVO! EMPLOYEE RECOGNITION PROGRAM

BRAVO! IS AEROVIRONMENT'S INTERNAL recognition program designed to support organizational goals, drive business performance, and reward employee contributions. BRAVO! enables peer-to-peer recognition of employees at all levels, enabling coworkers to express appreciation and thanks for a job well done and playing an instrumental role in the company's success.

BRAVO!

EMPLOYEE COMMITTEES



WHEN EMPLOYEES ARE FREE to be their true selves and share their unique perspectives, extraordinary things happen! A free-flow of ideas are generated, resulting in optimum solutions for our customers. Events have included summer picnics, Pi Day celebrations, March Madness, Fall Festival events, and Friday events like "football jersey day." Employees can apply to have additional activities and programs sponsored by AeroVironment during the year. For example, employees at our Simi Valley and Moorpark locations provided strong representation in the Ventura County Corporate Games, a popular local business community event.

EMPLOYEE LABOR PRACTICES

AEROVIRONMENT IS COMMITTED TO protecting and promoting fair employment practices within our operations and supply chain. These expectations are included in our [Code of Business Conduct](#) and Ethics and supplier contracts and comply with all applicable labor and employment laws.

THIS INCLUDES BUT IS not limited to laws relating to unlawful discrimination and harassment, freedom of association, privacy, and collective bargaining. We respect the rights of employees to choose whether they want to be represented by a collective bargaining unit, and we do not have any operations in which the right to exercise freedom of association is at a significant risk.

AEROVIRONMENT COMPLIES WITH ALL laws and regulations that prohibit human trafficking, forced labor, and slavery. To the best of our knowledge, we do not conduct business with suppliers who engage in modern slavery. AeroVironment suppliers are required to obey applicable laws that require fair treatment of workers and provide a safe and healthy work environment.

AS PREVIOUSLY STATED, FAILURE to comply with AeroVironment's labor practices as stated in the Code of Business Conduct may lead to disciplinary actions, up to and including termination. Employees have a duty to report any violation of the law or Code of Business Conduct directly (including through [contact us](#)) or raise a concern through our [ethics and compliance hotline](#) which is available 24 hours per day, 7 days per week. All questions or reports of known or suspected violations of the law or Code of Business Conduct will be investigated.

WE EMBRACE A CORPORATE CULTURE that encourages, supports, and celebrates the voices of our workforce and empowers us to create more meaningful and innovative solutions for humankind.

COMPANY CULTURE

WE VIEW OUR workforce and workplace as catalysts for innovation. We believe in trust and teamwork as one of our core values, allowing for collaboration, innovation and customer-oriented results. As employees are allowed to share their ideas, thoughts, and perspectives, we build a culture which is more meaningful and innovative.

WE INTENTIONALLY CELEBRATE AUTHENTICITY to foster a sense of belonging amongst our employees. Throughout to the year, we coordinate with a range of talent development agencies that enable us to reach thousands of prospective employees throughout the year that help recruit and retain the top engineering and technology talent available today.

WE CONTINUE TO FOCUS on supporting and fostering a working environment where our colleagues can feel safe and secure, the very heart of what we stand for as a company. We provide numerous avenues for employees to voice concerns, including open forums with our company management teams as well as an anonymous reporting hotline.

EMPLOYEE BENEFITS AND WELLNESS OFFERINGS*

HEALTH

MEDICAL

DENTAL

MEDICAL AND PRESCRIPTION DRUGS

TELADOC

VISION

WELLNESS

WEALTH/INCOME

401K

ACCIDENT PLAN

CRITICAL ILLNESS PLAN

DISABILITY INSURANCE

IDENTITY THEFT

LIFE AND AD&D INSURANCE

WORK/LIFE

ALTERNATIVE WORK SCHEDULE

EDUCATION AND TUITION

ASSISTANCE PROGRAMS

EMPLOYEE ASSISTANCE PROGRAM

TRAVEL ASSISTANCE

ADDITIONAL BENEFITS AND PROGRAMS

BRAVO! –

EMPLOYEE RECOGNITION PROGRAM

COMPANY SPONSORED EVENTS

EMPLOYEE DISCOUNTS

EMPLOYEE REFERRAL PROGRAM

AEROVIRONMENT IS COMMITTED to providing our workforce with competitive benefits and salaries and investing in the physical, emotional, and financial health of our workforce. Our compensation policies and packages are regularly reviewed and adjusted as needed to ensure alignment and provide greater transparency for our employees. All employees participate in an annual incentive bonus program.

EXECUTIVE LEADERSHIP COMPENSATION IS overseen and determined by the Compensation Committee of the Board of Directors in accordance with its Compensation Committee Charter. The Compensation Committee retains an independent compensation consultant to assist it in making compensation decisions regarding our executive officers. Details regarding CEO and Named Executive Officers (NEO) compensation is made available through the annual proxy statement (DEF 14A) as required by the U.S. Securities and Exchange Commission (SEC) and is available on our website. In 2023, our CEO received \$750,000 USD as a base salary. In Fiscal Year 2023, the annual total compensation ratio of median employee to CEO was 44.9:1. Additional information including AeroVironment's Clawback Policy, as well as short- and long-term incentive details, are also included in the annual proxy statement.

OUR COMPREHENSIVE HEALTH PLANS, benefit coverage, and wellness options promote and support the wellbeing of our employees and their families. Our financial wellness benefits include tools to help our employees build their wealth, protect their most valuable assets, and plan for retirement. Additionally, we offer a variety of other programs to support our employees' diverse personal and career aspirations.

AEROVIRONMENT CONTINUES TO OFFER an alternative work schedule to U.S.-based employees to support their work life balance and flexibility where permissible. The alternative work schedule reflects a 9/80 schedule during which employees work 80 hours in a two-week period over nine days instead of the traditional 10-day period. Additionally, AeroVironment partners with Office Depot® to meet our employees' ergonomic needs while working remotely to optimize their workstation comfort, productivity, and safety.

We host monthly online benefits Q&A sessions to help our employees take full advantage of the variety of benefits made available to them. Our blog, "Wellbeing," offers additional resources and ideas to help employees develop and maintain their health holistically.

**FOR MORE INFORMATION, PLEASE VISIT
OUR [BENEFITS AND COMPENSATION](#) WEBPAGE.**

COMMUNITY OUTREACH

AEROVIRONMENT CONTINUES TO BE inspired by the idea of serving society in new and creative ways. Our colleagues have engaged with local communities through a number of activities and engagements over the course of the past year. We are proud to be viewed positively in the areas we operate. Through our corporate social responsibility program, IMPACT!, we focus on programs which promote science, technology, education, and math (STEM); food drives; recycling programs; and military and veterans' organizations.



AEROVIRONMENT SPONSORED COMMUNITY EVENTS

AeroVironment engages with local communities through sponsored events and organizations including:

- **2022 CHAMPIONS OF EDUCATION ADVOCATE SPONSOR**
- **2022 BOYS/GIRLS CLUB GOLF CLASSIC**
- **2022 RIDE FOR THE RED SPONSORSHIP**
- **WHITE HEART FOUNDATION**
- **MILITARY TRIBUTE GALA HONORING AFGHANISTAN WAR VETERANS**
- **CITY OF SIMI VALLEY YOUTH COUNCIL (561967)**
- **OAK PARK HIGH SCHOOL ROCKETRY CLUB SPONSORSHIP**
- **SIMI SUNSET ROTARY CLUB ANNUAL FESTIVAL**
- **WINGS OVER CAMARILLO STEM PAVILION**
- **GRACE BRETHERAN ELEMENTARY SCHOOL ROBOTICS PROGRAM**
- **FOR THE TROOPS HEROES GOLF TOURNAMENT**

APPENDICES

APPENDIX A: SASB INDEX

Below is AeroVironment's response to the SASB Aerospace Defense Standard

Topic	Metric	Code	Response
Energy Management	(1) Total Energy consumed (2) Percentage Grid Electricity (3) Percentage renewable	RT-AE-130a.1	(1) 9,000,000 kWh* (2) 100%* (3) >30% of electricity sourced from utility providers was from renewable sources. *Omission: Data is not inclusive of Telerob facilities.
	(1) Amount of hazardous waste generated (2) Percentage recycled	RT-AE-150a.1	AeroVironment does not collect this information on a consolidated level.
	(1) Number and aggregate quantity reportable spills (2) Quantity recovered	RT-AE-150a.2	(1) 0 spills (2) N/A
Data Security	(1) Number of data breaches (2) Percentage involving confidential information	RT-AE-230a.1	AeroVironment considers the information to be business confidential.
	Description of approach to identifying and addressing security risks in: (1) Company operations (2) Products	RT-AE-230a.2	Refer to the Information Security and Data Privacy section
Product Safety	(1) Number of recalls issued (2) Total units recalled	RT-AE-250a.1	(1) 0 recalls issued (2) 0 units called
	(1) Number of counterfeit parts detected (2) Percentage avoided	RT-AE-250a.2	(1) 0 counterfeit parts detected (2) N/A
	(1) Number of Airworthiness Directives received (2) Total units affected	RT-AE-250a.3	Metrics are not applicable to AeroVironment's business. Airworthiness Directives are not currently relevant to our business or impactful to our business units.
	Total amount of monetary losses as a result of legal proceedings associated with product safety	RT-AE-250a.4	\$0. AeroVironment did not receive any monetary losses as a result of legal proceedings associated with product safety.
Fuel Economy & Emissions in Use-phase	Revenue from alternative energy-related products	RT-AE-410a.1	80% - all company products except our MUAS are battery powered.
	Description of approach and discussion of strategy to address fuel economy and greenhouse gas (GHG) emissions of products	RT-AE-410a.2	Refer to the Environmental Management and Energy Efficiency sections
Materials Sourcing	Description of the management of risks associated with the use of critical materials	RT-AE-440a.1	Refer to the Responsible Business Operations section
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with incidents of corruption, bribery, and/or illicit international trade	RT-AE-510a.1	\$0
	Revenue from countries ranked in the "E" or "F" Band of Transparency International's Government Defense Anti-Corruption Index	RT-AE-510a.2	A number of our products and related services are sold to organizations within the U.S. Department of Defense (DoD) and to international allied governments, we recognize the sensitive nature of providing detailed unit sales information. Therefore, we will not be disclosing such confidential business information.
	Discussion of processes to manage business ethics risks throughout the value chain	RT-AE-510a.3	Refer to the Responsible Business Operations section
Activity Metric	Production by reportable segment	RT-AE-000.A	A number of our products and related services are sold to organizations within the U.S. Department of Defense (DoD) and to international allied governments, we recognize the sensitive nature of providing detailed unit sales information. Therefore, we will not be disclosing such confidential business information.
	Number of global employees	RT-AE-000.B	1,279

APPENDIX B: PERFORMANCE DATA

Table 1. Supply Chain

Metric	2023
Number of suppliers	1,200
Supplier spend with small business (U.S. dollars)	\$51,400,000
Supplier spend with minority-owned business (U.S. dollars)	\$1,900,000
Supplier spend with female-owned businesses (U.S. dollars)	\$2,000,000

Table 2. Product Audits

Metric	2023
Quality Management System Audits	10
Environmental Metrics (US Operations)	
Metric	2023
Total energy consumption (kWh)	9,000,000
Non-Renewable electricity consumption	4,900,000
Renewable electricity consumption	2,300,000
Natural gas energy consumption	1,800,000
Percentage of grid supplied electricity	100%
Percentage of renewable electricity consumed out of total energy use	> 30%
Water withdrawal (m3)	14,000

Table 3. Board Composition and Diversity

Metric	2023
Independent	6
Board of Directors by Age	
Under age 30	0
Between ages 30-50	0
Over age 50	7
Board Diversity	
Female	2
Male	5
Members of underrepresented racial/ethnic groups	1
Veteran	2

Table 4. Team Member Demographics

Metric	2023
Number of team members globally	1,279
Team Members by Employment Contract	
Percent Full-time Employees	99%
Percent Part-time Employees	1%
Global Workforce by Function	
Administrative	255
R&D and Engineering	408
Operations	548
Sales and Marketing	68

Table 5. Team Member Demographics

Metric	2023
United States Team Members by Age	
Under age 30	161
Between ages 30-50	405
Over age 50	603
United States Team Members	
Female	243
Male	926
Not Disclosed	0

Table 6. Tenure

Metric	2023
Tenure of the Board of Directors	
0-5 years on Board	2
6-10 years on Board	5
11-15 years on Board	0
Percent Tenure of Employees	
0-2 years	29%
2-5 years	42%
6-10 years	11%
11-15 years	10%
16-20 years	6%
Greater than 20 years	2%

Table 7. U.S. Employee Turnover

Metric	2023
Employees hired	228
Employees terminated or retired	227

Table 8. Training and Development

Metric	2023
Percent of employees completed required annual trade compliance awareness training	98%*

* Percent training completed as of June 2023

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