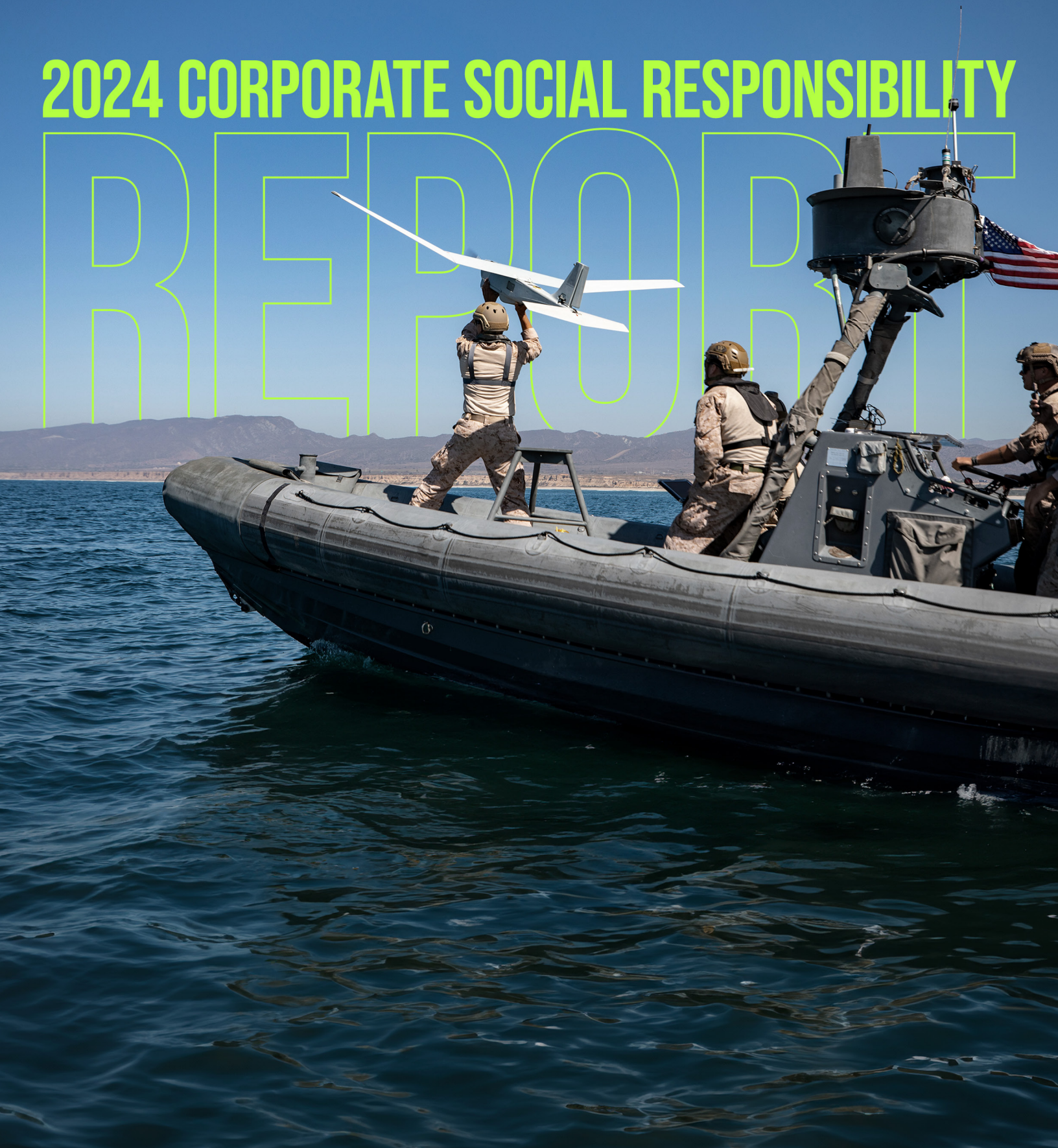


# 2024 CORPORATE SOCIAL RESPONSIBILITY

# REPORT



## ABOUT THIS REPORT

**THIS CORPORATE RESPONSIBILITY REPORT (CSR) COVERS ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) TOPICS WHICH PERTAIN TO AEROVIRONMENT'S BUSINESS AND STAKEHOLDERS.** This report has been developed with guidance from the Sustainability Accounting Standards Board (SASB) Aerospace & Defense Standard (2023). Unless stated otherwise, data presented throughout this report covers AeroVironment's 2024 fiscal year (May 1, 2023 – April 30, 2024) and refers to its global operations and activities which are wholly owned and operated by AeroVironment including our recent acquisition of Tomahawk Robotics. Unless otherwise noted, all financial values in this report are in United States dollars (USD).

**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 REPORT 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, which may cause our business, strategy, or actual results to differ materially from those expressed or implied. Factors that could cause actual results to differ materially from the forward-looking statements include, but are not limited to, our ability to perform under existing contracts and obtain additional contracts; changes in the regulatory environment; the activities of competitors; failure of the markets in which we operate to grow; failure to expand into new markets; failure to develop new products or integrate new technology with current products; and general economic and business conditions in the United States and elsewhere in the world. For a further list and description of such risks and uncertainties, see our [Securities and Exchange Commission \(SEC\) filings](#). We do not intend, and undertake no obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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

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## A LETTER TO OUR STAKEHOLDERS

**FISCAL YEAR 2024 MARKED ANOTHER SUCCESSFUL YEAR FOR AEROVIRONMENT. OUR FISCAL YEAR 2024 REVENUE INCREASED 33% FROM FISCAL YEAR 2023**, finishing the year at \$716.7 million. Strong organic growth across all three of our business segments, led largely by customer demands within our Loitering Munitions Systems segment paved the way for revenue growth.

**THIS YEAR, WE INTRODUCED OUR AUTONOMY RETROFIT KIT (ARK) AND AVACORE SOFTWARE.** Both of these technologies provide enhanced capabilities and advantages to address the growing complexities of the modern battlefield. We also introduced our Visual Navigation System (VNS) which enables flights in environments where GPS is restricted. Through innovations, like our advanced artificial intelligence (AI) capabilities and autonomy kits for our uncrewed systems, we were able to reduce operator burdens that allows the operator to be safely removed from the battlefield.



**IT IS AN EXCITING TIME TO BE A MEMBER OF AEROVIRONMENT. OUR TEAM CONTINUES TO DESIGN AND INNOVATE**, and we are incorporating various aspects of sustainability along the way. For example, we are developing equipment with modular interfaces. This extends the lifespan of our equipment by enabling rapid integration with new platforms and applications as they become available without the need to remake or repurchase the units. Furthermore, as we have continued to push the boundaries, nearly 90% of our portfolio is battery operated, reducing fossil fuel demands during their use while enabling greater endurance and longer-range coverage. Where heavy fuel engines are needed, like JUMP 20, we design for higher horsepower while lowering the fuel burn rate, providing for greater fuel efficiency and longer operational lifespans. Finally, at home, we continue to evaluate and reduce our own environmental impacts by lowering our energy consumption, water withdrawals, and waste generation. We are also continuing to explore opportunities such as LEED certifications at our facilities.

**AS WE SEEK TO BECOME A MULTI-BILLION DOLLAR DEFENSE TECHNOLOGY COMPANY**, we are focused on recruiting and retaining top talent to help us achieve this aspiration. We are implementing programs to ensure that our employees are eager and excited to come to the office every day, that their physical and mental well-being is supported, and that they are empowered to push the limits of modern technology. This year, our employees underwent a number of trainings to ensure they aware of and follow our policies, especially regarding ethics, security, and cybersecurity, as well as harassment and workplace violence. We hold strong to our company's core values, building trust and teamwork as we continue to pursue our mission of success.

*We appreciate your interest in this report and look forward to continuing on the path of transparency, accountability and sustainability with you in the years to come.*

Sincerely,

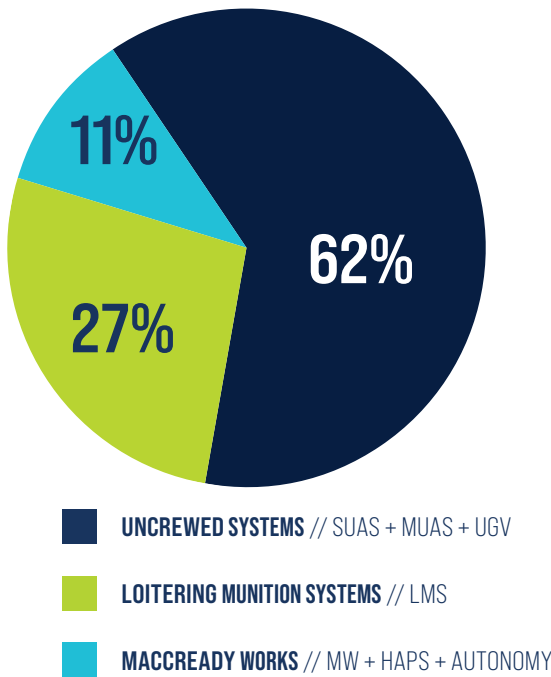
A handwritten signature in black ink that reads "Wahid Nawabi". The signature is fluid and cursive.

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 2024, we generated \$716.7 million in revenue from our three business segments; Loitering Munition Systems, Uncrewed Systems and MacCready Works.

## REVENUE BY BUSINESS SEGMENT

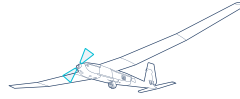


## OUR PRODUCT LINES ARE STRUCTURED AS FOLLOWS

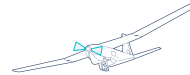
### Uncrewed Systems (UxS)

#### SMALL UNCREWED AIRCRAFT SYSTEMS (SUAS)

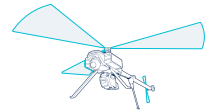
PUMA LE



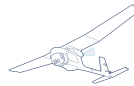
PUMA 3 AE / RQ-20C



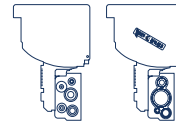
VAPOR 55 MX



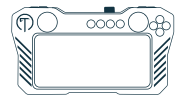
RAVEN B / RQ11B



MANTIS GIMBALS



CRYNALIS & TOMAHAWK



#### MEDIUM UNCREWED AIRCRAFT SYSTEMS (MUAS)

JUMP 20

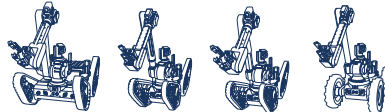


T-20

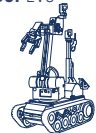


#### UNCREWED GROUND VEHICLES (UGV)

telemax FAMILY

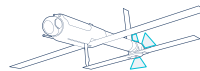


tEODor EVO



### Loitering Munition Systems (LMS)

SWITCHBLADE 600



SWITCHBLADE 300 / BLOCK 20

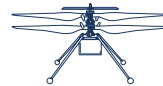


BLACKWING



### MacCready Works (MW)

MARS HELICOPTER



SUNGLIDER 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  
Melbourne, FL // Erie, PA // Arlington, VA // Centreville, VA // Minneapolis, MN // Ostfildern, Germany

## COMPANY SNAPSHOT

Year  
Founded

1971

Corporate  
Headquarters

VA

ARLINGTON

Full-time  
Employees

1,428

FY 2024  
Revenue

\$717  
MILLION

## AEROVIRONMENT RECENT ACQUISITIONS

**AT AEROVIRONMENT**, we have a recent history of successful acquisitions to expand our portfolio and increase our product and solution offerings to better serve our customers.

### FY21 – ARCTURUS UAV

**THEIR CAPABILITIES EXPANDED OUR UxS** portfolio by providing program diversification, increased our customer base, and enhanced shareholder value.



**THE JUMP 20®** is a vertical takeoff and landing (VTOL), fixed-wing unmanned aircraft used to provide advanced multi-sensor intelligence, surveillance, and reconnaissance (ISR) services. Delivering 13+ hours of endurance and an operational range of 185 km (115 mi), the JUMP 20 is ideal for multi-mission operations. Runway independent, the system can be set up and operational in less than 60 minutes without the need for launch or recovery equipment.

### FY22 – TELEROB

**THIS TRANSACTION COMBINED UxS** and UGV leaders for integrated mission solutions in air, near-space, ground, and maritime regions.

**WITH THEIR** advanced, specialized precision manipulators, autonomous functionality and intuitive operation, our rugged, all-terrain telemax UGVs accommodate a high degree of mission flexibility while enabling the operator to focus on what matters most: completing the mission safely even under the most demanding conditions.



### FY23 – PLANCK AEROSYSTEMS

**PLANCK AEROSYSTEMS IS A** leading provider of advanced uncrewed aircraft navigation solutions, and this transaction accelerated our development of advanced autonomy capabilities.



### FY24 – TOMAHAWK ROBOTICS

**PAIRING OUR UxS WITH** Tomahawk's AI-enabled technology advances the implementation of AI and autonomy by allowing warfighters to operate various interconnected robotic solutions between multiple domains and platforms.

**GRIP S20 INCLUDES ALL THE MILITARY-HARDENED** physical buttons and joysticks you would expect plus the addition of an integrated USB hub that eliminates the need for special cables that charge and pass data in Nett Warrior loadout configurations. Grip S20 is offered with a hinged MOLLE chest mount and Nett Warrior-compliant cabling.



## OUR PURPOSE AND 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 & 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 & 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 & SIMPLIFY



**WE ARE** CURIOUS AND RELENTLESS IN THE PURSUIT OF NEW, INNOVATIVE SOLUTIONS AND IMPROVEMENTS.

**WE LOOK** FOR NEW IDEAS EVERYWHERE AND ARE COMMITTED TO ENSURING THAT THE BEST IDEAS WIN.

# PRODUCT INNOVATION AND SUSTAINABLE SOLUTIONS

**AEROVIRONMENT REMAINS ONE OF THE WORLD'S LARGEST MANUFACTURERS OF UNCREWED AIRCRAFT SYSTEMS**, developing technologies and solutions that enable customers to complete ever-more ambitious missions and overcome seemingly intractable challenges. We continue to push the envelope by always innovating to launch our UxS into important public safety and commercial markets. Our loitering munition systems are proving incredibly effective in areas of conflict across the globe with their agile and precise high-performance optics and scalable munition payloads. We continue to look for ways to improve the usability, efficacy, and simplicity of our solutions.

## UNCREWED SYSTEMS // UxS

**IN JANUARY 2024**, we announced the first successful multi-drop live fire GPS-guided Shryke munitions from the VAPOR® 55 MX all-electric uncrewed aircraft system in collaboration with Corvid and L3Harris Technologies. The 40mm anti-armor modular warhead paired with a lightweight glider provides a highly effective, low-collateral damage solution to the front lines.



### VAPOR 55 MX ALL-ELECTRIC HELICOPTER UAS

The all-electric VAPOR MX 55 helicopter UAS is extremely versatile and can be easily configured to support a variety of mission requirements. VAPOR's modular payload bay and multi-sensor capacity allows for gimballed EO/IR, multispectral, LIDAR, Comms relay, SIGINT, Armed VTOL sensors as well as Drop/Delivery mechanism to easily expand operational capabilities.

## LOITERING MUNITION SYSTEMS // LMS



### SWITCHBLADE 300 BLOCK 20

Building on the Switchblade's battle-proven performance, the SWITCHBLADE Block 20 can be deployed in less than 2 minutes via tube-launch, delivering 20-plus minutes of tactical reconnaissance, surveillance, and target acquisition (RSTA), and precision firepower needed to achieve mission success across multiple domains.

**AEROVIRONMENT RECEIVED FUNDING FROM** the U.S. Army Tactical Aviation and Ground Munitions (TAGM) project office for the procurement of Switchblade® 300 loitering munition systems. These munition systems are ideal for use against beyond-line-of-sight targets. This new U.S. Army contract includes foreign military sales of Switchblade 300 for the first time to allied nations, expanding the product footprint internationally.



## ARK & AVACORE

### AEROVIRONMENT RECENTLY INTRODUCED THE

Autonomy Retrofit Kit (ARK) and AVACORE software, demonstrating the advancement of autonomy and machine learning capabilities to increase the effectiveness of autonomous systems and reduce operator burdens. ARK provides edge computing for mission-critical applications and can intelligently integrate with distributed groups of dismounted units in a Mobile Ad Hoc Network (MANET) using the Android Team Awareness Kit (ATAK).

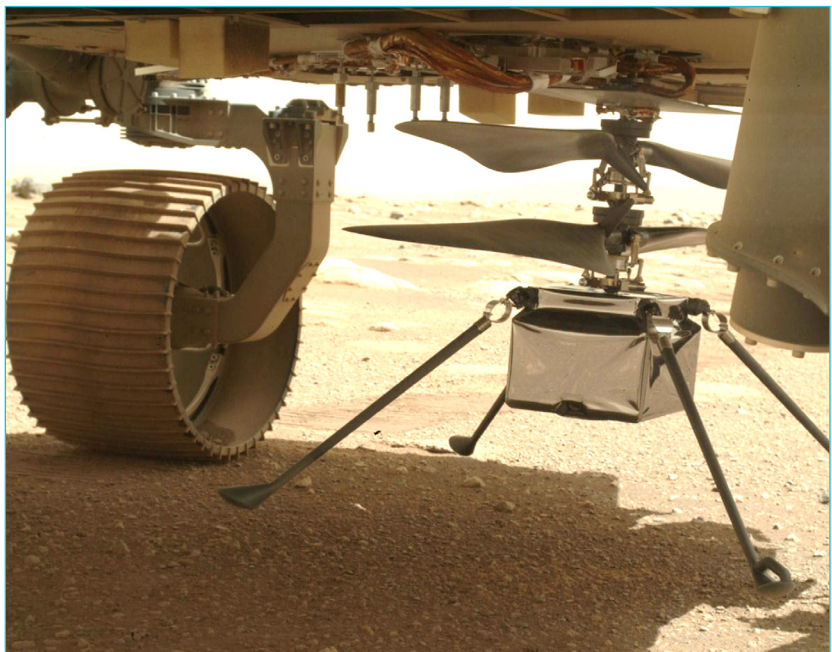
## MARS HELICOPTER

### AEROVIRONMENT'S TEAM OF INNOVATIVE

engineers from our MacCready Works Advanced Solutions team worked with NASA/JPL to design and develop a helicopter carried by the Mars rover, Perseverance. The helicopter's name is Ingenuity, and its purpose is to demonstrate the viability of aerial robots for planetary exploration.

### THE VEHICLES ARRIVED ON

Mars in February 2021. Within two months of landing on the surface of Mars, and after traveling 330 meters from its landing site, Perseverance deposited Ingenuity onto Martian soil, where it successfully attempted its maiden voyage – the first flight of an aircraft on another celestial body. Its short hop over the surface of the Red Planet marked a giant leap for robotic technology. **SINCE ITS MAIDEN VOYAGE, INGENUITY HAS FAR EXCEEDED EXPECTATIONS BY SUCCESSFULLY COMPLETING 72 FLIGHTS!**



## MISSION DURATION // FEB 18, 2021 - JAN 18, 2024





## OUR CORPORATE SOCIAL RESPONSIBILITY

**WE EMBRACE CORPORATE SOCIAL RESPONSIBILITY** and recognize the importance of evaluating and addressing various ESG issues. Since fiscal year 2022, AeroVironment has included at least one ESG metric in executive bonus plans, as well as bonus structures for company management and non-executive employees.

**I LOVE BEING A PART OF THE AEROVIRONMENT FAMILY,** where people truly care about the company and each other. It's exciting to come to work each day, be a part of the innovative and creative work that we do and see how our products help our customers."

**Melissa Brown**

Sr. Vice President, General Counsel and  
Chief Compliance Officer

### **OUR ESTABLISHED CROSS-FUNCTIONAL ESG COMMITTEE IS LED**

**BY OUR VICE PRESIDENT,** Corporate Development, and Investor Relations, and is supported by our General Counsel and Chief Compliance Officer, as well as members of Compliance, Marketing, Fulfillment, Investor Relations, Environmental Health and Safety (EH&S), Operations, and our People and Culture (P&C) teams. This committee is tasked with driving AeroVironment's ESG goals and initiatives and also monitors for legislative and regulatory changes. For example, the committee is evaluating pending and upcoming regulations that will impact sustainability reporting. To prepare for this, the committee is assessing software solutions to enable data collection, monitoring, and reporting more efficiently, and improving accuracy and credibility. The committee is also discussing building improvement opportunities and LEED certifications at our facilities in the U.S.

### **AS THE ESG COMMITTEE MONITORS PROGRESS AND EVALUATES**

**NEW OPPORTUNITIES,** they share their insights and recommendations with the Board of Directors on a quarterly basis. The Board's Nominating and Corporate Governance (NCG) Committee provides guidance and oversight to the ESG Committee. We share our ESG performance and progress on an annual basis through this Corporate Social Responsibility Report.

## STAKEHOLDER ENGAGEMENT

**ENGAGEMENT WITH OUR STAKEHOLDERS** is embedded within our core values. We seek out opportunities to hear from our stakeholders to better understand their concerns and priorities, especially as they relate to ESG issues. Many of our identified material topics are garnering increased attention from our employees, customers, shareholders, legislative bodies, and other stakeholders alike. Our ESG Committee is tasked with identifying and addressing these concerns in an appropriate manner, involving the appropriate functions, as necessary. As a result, we have implemented numerous policies and procedures to ensure compliance with applicable local laws and regulations.

**ENGAGING WITH OUR INVESTORS** is crucial to understanding and meeting their expectations. During fiscal year 2024, we facilitated numerous engagement opportunities, hosting more than 57 analyst meetings and participating in more than 11 investor conferences and two roadshows. In total, we connected with investors over 139 times. Additionally, our investors receive an annual stockholder letter from our chief executive officer, providing updates on company performance, our portfolio, and future plans.

~57

Investor Meetings

10+

Investor Conferences  
and Roadshows

139

Investor Interactions

# MATERIALITY ASSESSMENT

**TO ENSURE WE IDENTIFY** ESG topics that are most material and relevant to our business and our stakeholders, we engaged a third-party consultant to help us conduct a formal materiality assessment last year. We have used assessment results to evaluate and refine our current ESG strategy and inform topics that are covered within this report.

**WE ANTICIPATE CONDUCTING MATERIALITY** assessments on a three- to five-year cycle, or sooner if the need should arise. In the interim years, we engage with our stakeholders through a variety of channels such as our employee feedback channels, customers through customer satisfaction surveys, and our investors during various conferences and roadshows.

FOR ADDITIONAL INFORMATION on our latest Materiality Assessment, please see Appendix A. For more information on stakeholder engagement, please visit the Investor Relations section of our [website](#).

# BOARD GOVERNANCE

## BOARD OF DIRECTORS

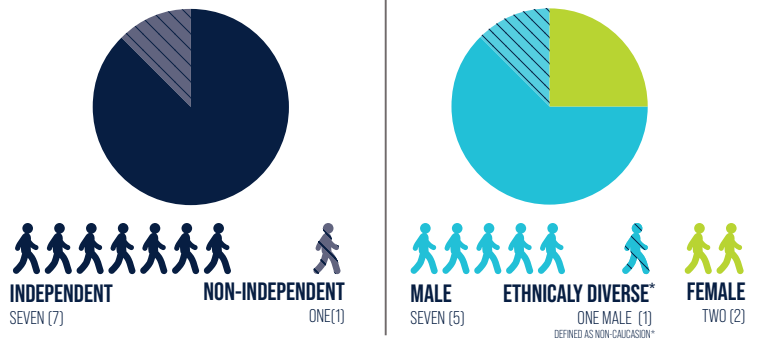
### BOARD COMPOSITION AND STRUCTURE

**AEROVIRONMENT'S BOARD OF DIRECTORS** (Board) is actively involved in the oversight of our business operations, including ESG strategy development and execution. To remain informed of progress, the Board engages with senior management to evaluate opportunities such as emerging trends, technologies, and global developments.

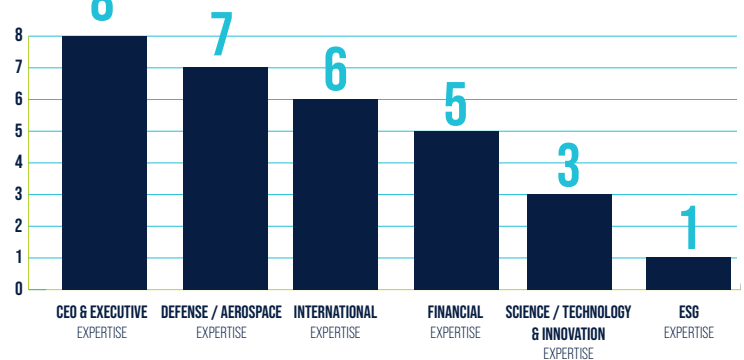
**BOARD MEMBERS ARE DIVIDED** into three classes and are elected to serve three-year terms until their resignation or removal, or their successors are duly elected and qualified. As a result of this practice, nearly one-third of the Directors stand for election at the annual meeting each year. During our Annual Meeting of Stockholders in September 2023, Mr. Davidson and Mr. Page were both re-elected, whereas Ms. Merigold retired, and Ms. Long was elected to fill the vacancy. In addition, General Joseph L. Votel was appointed as a board member by the AeroVironment Board of Directors in November 2023. As new members of the Board, General Votel and Ms. Long bring extensive knowledge of and expertise in international business, security, and foreign affairs. Our Board now consists of eight directors, seven of whom are independent and one of whom is non-independent.

**THE BOARD REGULARLY HOLDS** scheduled meetings five times a year and conducts additional special meetings throughout the year, as necessary. As directed by 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, continues to serve as Chairman and does not qualify as "independent" under Securities and Exchange Commission (SEC) and NASDAQ stock exchange regulations. Edward R. Muller currently serves as lead independent director.

### 2024 BOARD DIVERSITY INDICATORS // 8 MEMBERS



### 2024 BOARD EXPERIENCE // 8 MEMBERS



## BOARD LEADERSHIP STRUCTURE

**THERE ARE FIVE STANDING** committees operating under the Board of Directors: **Audit, Compensation, Executive, Nominating and Corporate Governance**, and as of November 2023 a **Cybersecurity** committee. Each committee, except the Executive Committee, is composed of and led by independent directors.

### Audit Committee

**THE AUDIT COMMITTEE IS** responsible for overseeing the Company's accounting and financial reporting processes and internal systems of control, including relationships with accounting firms and the audits of Company financial statements. Three of the four committee members are considered as "financial experts" according to the rules of the SEC. The Audit Committee receives, and reviews reports of our ethics program from our General Counsel and Chief Compliance Officer at each of its regularly scheduled quarterly meetings.

### Compensation Committee

**THE COMPENSATION COMMITTEE DETERMINES** the development plans and compensation packages for our executive officers and the Board of Directors. This also includes reviewing and approving executive compensation, administering, and approving awards under our equity incentive plans, and more. Furthermore, this Committee is responsible for selecting and overseeing of the independent compensation advisor retained by the Committee to support compensation work and reviews.

### Cybersecurity Committee

**THE CYBERSECURITY COMMITTEE WAS** formed in 2023 to oversee our cybersecurity programs and risks, including a review of policies, plans, metrics, and other programs relating to enterprise cybersecurity and data protection. In addition, this Committee is responsible for reviewing any significant cybersecurity incidents with management.

### Executive Committee

**THE EXECUTIVE COMMITTEE EXERCISES** the powers of the Board when it is not in session, subject to specific restrictions prescribed within the company bylaws and its charter.

### Nominating and Corporate Governance Committee

**THE NOMINATING AND CORPORATE** Governance (NCG) Committee is responsible for the identification, screening, and recommendation of candidates for membership on the Board of Directors. This committee provides oversight to the annual self-assessment of Board members and the committees' performances. The NCG Committee is also tasked with providing recommendations on governance guidelines and principles, as well as evaluating and reviewing risk management strategies and processes. As part of this responsibility, the Committee provides guidance and oversight to AeroVironment's ESG Committee.

## BOARD LEADERSHIP STRUCTURE

- 1. CHAIRMAN OF THE BOARD:**  
President, and Chief Executive Officer: Wahid Nawabi
- 2. LEAD INDEPENDENT DIRECTOR:**  
Edward R. Muller
- 3. FIVE COMMITTEES:** Audit, Compensation, Cybersecurity, Executive, and the Nominating and Corporate Governance
- 4. ACTIVE ENGAGEMENT:** All directors
- 5. AVERAGE TENURE:** 6 years

# STRATEGIC ADVISORY GROUP



**IN ADDITION TO THE** Board of Directors, AeroVironment also is supported by its **Strategic Advisory Group (SAG)**. This Group provides executive-level advice to our senior leaders regarding U.S. Department of Defense matters. SAG consists of six former U.S. Department of Defense members, including retired General Officers and Senior Executive members, providing unique perspectives and insights on engagement activities.

## LEADERSHIP TEAM

**OUR LEADERSHIP TEAM IS** composed of 16 individuals including our Chief Executive Officer, Chief Financial Officer, General Counsel and Chief Compliance Officer, and senior executives from across the organization. They collaborate with our Board to develop and implement company strategies, delivering innovative solutions into our existing and new markets.

**THEY ARE RESPONSIBLE FOR** fostering and demonstrating the AeroVironment entrepreneurial culture and values, helping to inspire loyalty among our current and future employees, customers, and investors.

**THROUGHOUT THE COURSE OF** the year, the leadership team interacts with and supports our ESG Committee in staying informed of potential and upcoming ESG matters that have the potential to impact our business operations.

**FOR MORE INFORMATION** on our Board Committees, please visit the **Corporate Governance** section of our website.

### **AV VALUES THE CONTRIBUTIONS OF OUR EMPLOYEES** and

*encourages everyone ownership of their work, providing a platform for individuals to make a difference and have real impact on the solutions we provide to our customers.*

Jarmin "JB" Blanton  
Vice President of Business  
Development, Domestic

### **AV IS THE PLACE WHERE CHALLENGING BOUNDRIES**

*and pushing beyond the norm is a way of life and part of the cultural DNA. Where creativity is applauded, results are rewarded, and we strive to make a positive difference in the lives of the customer we serve.*

Colin Walker  
Vice President of Fulfillment

# RESPONSIBLE BUSINESS OPERATIONS

## ETHICAL POLICES & PROCEDURES

**UNWAVERING IN OUR COMMITMENT** to responsible and ethical business practices, we have set high standards for our business operations. Our robust governance framework is designed to foster trust, accountability, and transparency across our company and with the relationships we have cultivated across our networks. Along with our directors, company leaders, and employees, we hold high expectations for responsible conduct by our customers, suppliers, and other shareholders.

**WE HAVE ESTABLISHED SEVERAL POLICIES AND PROCEDURES WHICH WORK TOGETHER TO ENSURE THAT OUR EMPLOYEES, contractors, suppliers, and shareholders understand our expectations and that they are held accountable to our high standards.** Policies are routinely reviewed and updated by the appropriate function, keeping them current with changing regulations and organization needs. For example, the Trade Compliance Department is responsible for adherence to regulations and laws pertaining to international trade, especially for defense-related exports and imports and licensing requirements. In many cases these policies are made publicly available, while others are housed internally as they contain confidential or business-sensitive instruction.

- **ANTI-CORRUPTION POLICY**
- **CALIFORNIA TRANSPARENCY** in Supply Chains Act
- **CODE OF Business Conduct & Ethics**
- **CONFLICT MINERALS** Police
- **CORPORATE GOVERNANCE** Guidelines
- **EMPLOYEE STANDARDS** of Conduct
- **ENVIRONMENTAL POLICE**
- **EQUAL EMPLOYMENT** Opportunity and Reasonable Accommodation Policy
- **INSIDER TRADING** Policy
- **POLICE 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)

## ANTI-CORRUPTION POLICY

**DURING 2024, OUR LEGAL** team reviewed and revised our stand-alone Anti-Corruption policy. This policy reinforces our existing Code of Conduct, expressly prohibiting bribery or kickbacks. AeroVironment has established guidelines as well for the provision of gifts, hospitality, and travel for our employees, directors, and other representatives. The policy also addresses charitable contributions outside of the United States, requiring that any such donations be reviewed and approved by the Legal Department. Furthermore, AeroVironment does not involve itself in the political affairs of any country and no company funds or assets are to be used for partisan political purposes. AeroVironment's registered Political Action Committee, "AV PAC," files reports with the U.S. Federal Election Commission as required by law.

## CODE OF BUSINESS CONDUCT AND ETHICS POLICY

**OUR CODE OF BUSINESS Conduct and Ethics Policy** (Code of Conduct) embodies the core of our company's core values, especially "Trust and Integrity." Topics addressed within our Code of Conduct include our whistleblower policy and anti-retaliation, conflicts of interest, anti-corruption, political or government payments, securities trading, environment, health and safety, harassment and discrimination, and general compliance with applicable laws, rules, and regulations.

**ANNUALLY, ALL AEROVIRONMENT DIRECTORS,** company leaders, and employees are expected to review and acknowledge their understanding of and adherence to our Code of Conduct. Our contractors are also expected to agree to and follow the Code.

## ETHICS HOTLINE

**ANONYMOUS**  
*and confidential*

**TOLL-FREE** phone  
& web-based access

**OPERATES** 24/7

**INDEPENDENTLY** run by  
third-party provider

**MONITORED,**  
*tracked, investigated*

**ANTI-RETALIATION**  
*protections*

## WHISTLEBLOWER SERVICE AND POLICY

**WHILE WE ENDEAVOR TO** foster a workplace environment built upon open and honest communications, we understand that in certain instances speaking to a supervisor or manager may not be appropriate. To provide a way for any employee, client, supplier, stockholder, or other impacted party to raise concern, make an inquiry, or report a known or suspected violation against AeroVironment's Code of Conduct, policies, procedures, or applicable laws or regulations, we host a third-party ethics and compliance hotline. This **service** is available 24 hours a day, seven days a week.

**THE USE OF A THIRD-PARTY HOTLINE ALLOWS INDIVIDUALS TO MAKE REPORTS ANONYMOUSLY**, where legally permissible. The hotline also provides a way to request guidance as it relates to policies and procedures, providing reporters with suggestions and recommendations for how to proceed or resolve potential challenges. All confidential reports made through the hotline are honored to the extent legally possible. 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.

## ETHICS TRAINING AND COMPLIANCE

**WE HOST ROUTINE TRAINING** covering critical topics, company policies, and procedures throughout the year. We leverage a variety of channels including in-person training, webinars, and on-demand platforms such as Workday to engage our employees and ensure information and knowledge is disseminated. Our suite of training courses is made available to employees through our online portal, allowing us to track and manage the completion of all required courses. Failure to complete mandatory training may result in disciplinary action for the employee.

**AS OF MAY 2024**, over 99.6% of global employees completed the annual trade compliance awareness training. 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.

**AEROVIRONMENT'S INTERNAL ETHICS OFFICER** is responsible for the management of our ethics program and policies and is supported by the Board's Audit Committee, our General Counsel and Chief Compliance Officer, as well as our Trade Compliance (TC) department and others. The TC department, alongside the P&C department, is ultimately 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. In fiscal year 2024, there were no monetary losses because of legal proceedings associated with incidents of corruption, bribery, and/or illicit international trade.

FOR ADDITIONAL INFORMATION, please visit the [Policies and Approaches](#) as well as the [Documents and Charters](#) sections of our website.

## 2024 BUSINESS ETHICS TRAINING

Anti-Bribery and  
Anti-Corruption

Anti-Harassment and  
Anti-Discrimination

Unconscious Bias Training

Annual Ethics & Compliance  
Certifications

Conflicts of Interest

Securities Trading

General Compliance  
Awareness

Handling of Confidential and  
Classified Information

Trade Compliance Awareness

Workplace Violence Training

Cyber Security Bi-Annual  
Training

Non-Disclosure Agreement  
(NDA) Training

AND MORE

## INFORMATION SECURITY AND DATA PRIVACY

**THE DATA SECURITY AND** privacy of our employees, customers, suppliers, and other stakeholders are critical to the success of our company. In addition to our Code of Conduct and other ethical business policies, we have a distinct **Privacy Policy** that addresses our approach to data collection, data protection, and compliance with applicable laws and regulations such as the General Data Protection Regulation (GDPR) and the **California Consumer Privacy Act** (CCPA). We have additional internal-facing policies and procedures such as our Restricted Party Screening Policy and detailed on-boarding policies to further reinforce our expectations for our various stakeholders.

**WE EMPLOY THIRD-PARTY RESOURCES** to support and strengthen our overall information security and data privacy practices. We continue to invest resources into innovative security technologies, conduct regular penetration testing, and continue to follow industry best practices to protect against threats. We continue to align our cybersecurity plans with the guidelines from the **National Institute of Standards and Technology Special Publication (NIST SP) 800-171**, which provides recommendations for ensuring the protection and confidentiality of controlled, unclassified information. AeroVironment currently holds a company-wide Cybersecurity Maturity Model Certification 2.0 (CMMC L2) and aligns its incident response protocols and procedures with U.S. Government guidelines.

**AS DESCRIBED PREVIOUSLY, OUR** Board of Directors formed a Cybersecurity Committee in fiscal year 2024, further demonstrating our commitment to this topic. The Committee has been tasked with reviewing and updating data privacy processes and policies. In addition to the Board's Cybersecurity Committee, our company leaders manage cybersecurity practices across the company and its divisions to ensure consistent practices throughout our organization. As part of our annual compliance program, employees undergo regular cybersecurity awareness training which focuses on awareness, prevention, and remediation regarding security and privacy issues. During the fiscal year, 100% of our employees completed their cybersecurity training, averaging seven hours per employee. Furthermore, we had zero data breaches during the fiscal year.

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**.

## PRODUCT SALES AND TRADE COMPLIANCE

**AEROVIRONMENT PUTS TOOLS IN** the hands of those who need them most – frontline warfighters, first responders, space explorers, and others. Our solutions are intended to provide innovative perspectives, capabilities, and controls to increase the safety and effectiveness of our customers' operations. We remain committed to our high ethical standards of business conduct for our employees as well as our value chain partners, being mindful of how our products could be used for unintended purposes. We employ a number of practices to mitigate risks associated with our products being used or sold to malefactors.

**WE MAINTAIN A ROBUST** trade compliance program that is designed to comply 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. With each order, our contract department vets the customer through our internal database. We have a standard set of Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation (DFAR) flow downs that are automatically included in all Purchase Orders in addition to AeroVironment's standard set of Commercial Terms and Conditions and the U.S. Government-required Terms and Conditions. AeroVironment's purchasing system was most recently approved by the Defense Contract Audit Agency (DCAA) in 2022 and was reconfirmed in 2023.



**WHEN IT COMES TO** product exports, our customers are required to adhere to the Arms Export Control Act (AECA), which requires the U.S. Government to conduct End-Use Monitoring (EUM). This process ensures our customers are complying with approved product uses and prohibits the reselling or transferring ownership of products 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, such as our loitering munitions. We also have policies and procedures in place to help validate equipment, including Part Identification and Serialization to prevent and minimize counterfeit products.

**LED BY OUR TRADE COMPLIANCE** (TC) department, we have a team dedicated to monitoring and interpreting regulatory requirements, ensuring compliance with defense-related export and import requirements. The team is also responsible for applying export controls to our products and technologies, obtaining, and administering licenses, and screening all parties that we interact with as an enterprise. The TC department also facilitates internal training and awareness, maintains records, and conducts audits to ensure risks are appropriately addressed.

## RESPONSIBLE SUPPLIER PROGRAM

**WE VIEW OUR SUPPLIERS** as an extension of AeroVironment's own operations, therefore we forge long-standing relationships with suppliers who are like-minded in their values and commitments. We leverage our supplier's expertise to help us improve our existing products while also developing new solutions and innovations. As we engage with our suppliers, we look for industry leaders with proven track records of providing products and services that have the best total cost of acquisition and vendors who have strong ethics and transparency, maintain extensive supplier expertise, and demonstrate the potential to maintain long-term partnerships.



### **WE HAVE ESTABLISHED A SUPPLIER QUALITY REQUIREMENTS MANUAL TO FURTHER INFORM AND EDUCATE OUR SUPPLIERS OF OUR REQUIREMENTS AND**

**PROCESSES.** This manual addresses our Supplier Quality Management System (QMS), business continuity, traceability, environment, counterfeit products, and more. For example, all suppliers must have an environmental policy that is, at a minimum, compliant with environmental management requirements established by ISO 14001, demonstrating a supplier's alignment with our own Environmental Policy and expectations. Suppliers are also required to maintain a QMS that is certified to the latest version of ISO 9001 or the aerospace quality management standard of AS9100. We also retain the Right of Entry, in which our suppliers understand that they are subject to audits requested by AeroVironment as we seek to confirm compliance with our policies and procedures. We have also implemented a "Best Value Supplier Selection" and "Maturity Path" for suppliers to become what we consider "Premier Suppliers." This supplier evaluation process ensures we are selecting suppliers that meet our expectations as well as those set forth by the U.S. FAR, part 15.

**OUR SUPPLY CHAIN MANAGEMENT** team holds primary responsibility for ensuring and monitoring supplier compliance. This team provides risk-adjusted trainings for all buyers at a cadence best suited for their role and their procurement categories. These trainings typically prioritize suppliers who provide hardware or software that goes into our end products and cover topics such as performance and quality system adherence. This team is also responsible for maintaining our online [Supplier Portal](#), where current and potential suppliers can access information such as our Supplier Manual and other resources necessary to maintain a good-standing relationship with AeroVironment. The portal hosts additional details on our standards, our philosophy, terms, and conditions, as well as information on technical innovation, quality and performance, small business and diversity requirements, logistics and trade compliance, and ethical business commitments.



## CONFLICT MINERALS

**INCLUDED IN OUR SUPPLIER** agreements is our [Conflict Minerals Policy](#). We also have established an associated compliance program that is aligned with 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). This includes 3TG originating from the Democratic Republic of Congo (DRC) or any of its adjoining countries. We also comply with the SEC's Dodd-Frank Wall Street Reform and Consumer Protection Act, producing an annual [Conflict Minerals Statement](#). As required by the SEC, we employ an independent auditor to audit our supply chain due diligence process to ensure our programs are sufficient. AeroVironment's Conflict Minerals Compliance Team is ultimately responsible for implementing our conflict minerals compliance strategy and briefing senior management about due diligence efforts and results periodically.

**WHILE NEARLY 99%** of our materials are domestically sourced in the U.S., we still partake in a stringent supplier due diligence process which includes a reasonable country of origin inquiry (RCOI) of our suppliers. This RCOI enables us to evaluate the origins of purchased minerals. Furthermore, we review the source and chain of custody of any purchased 3TG minerals in question to determine and confirm, in good faith, that our products remain "DRC Conflict-Free." We rely on a third-party agency to complete audits of smelters and refiners through the [Responsible Minerals Initiative](#) (RMI) and provide an annual compliance scorecard to our 3TG suppliers.

## SUPPLIER DIVERSITY

**AT AEROVIRONMENT, WE CONTINUE** to develop and expand our supplier base to exemplify innovation, customer commitment, and integrity while contributing to our goal of maintaining a diverse supply chain that is consistent with best-in-class business protocols. We provide equal opportunities for suppliers to participate in and compete for procurement contracts.

**DURING FISCAL YEAR 2024**, we engaged with more than 300 global suppliers who are best suited to support our growing business needs. Through our Small Business Participation Plan, we continue to demonstrate our dedication to increasing 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. Our spending with small businesses increased from \$51.4 million last year to nearly \$126 million this year. We are proud to support small business efforts and broaden our supply base as this further strengthens fair competition, drives innovation, and supports local economies. For more information, please see our [Small Business Subcontract Policy](#).

## INVESTMENT IN DIVERSE SUPPLIERS

**\$126M**  
spent with  
small business suppliers

**\$6.1M**  
spent with  
minority-owned suppliers

**\$5.1M**  
spent with  
female-owned suppliers

## SUPPLIER AUDITS

**WE ROUTINELY AUDIT AND** assess our suppliers to ensure compliance with AeroVironment's policies and procedures. Our audits are based on a risk-adjusted maturity scale that covers quality management, commodities such as conflict minerals, and supplier capabilities. In fiscal year 2024, we conducted 24 quality management system audits, 133 commodity assessments, and 106 capability assessments.

**TO LEARN MORE** about our supplier expectations and requirements, please visit the [Suppliers](#) section of our website.

# PRODUCT QUALITY AND SAFETY

**OUR CUSTOMERS HAVE COME** to know and trust the AeroVironment brand for its product performance and safety, quality, reliability, customer support, and other competitive factors.

**WE WORK HARD TO** ensure that our customer needs are met and that we retain our strong reputation. Alongside our Airworthiness Process and Quality Assurance programs, we have implemented Safety Engineering Process Procedures, Safety Design Guidelines, and a Product Development Framework to guide our safe and high-quality product production process.

**WE TAKE GREAT CARE** to evaluate the safety and quality of our products and designs in line with our Product Lifecycle Policy guidelines. Our quality system processes are known to regularly meet or surpass industry standards.

**WE MAINTAIN CERTIFICATION OF** our quality management system with the ISO-9001:2015 and AS9100D standards at five of our locations in California and Massachusetts. To maintain compliance with these certification requirements, regular audits are performed by a third-party accredited registrar.

**TO ENSURE THAT OUR** employees are equipped with the necessary skills and knowledge required to develop our products and support our services, they are all trained on product safety and security on an annual basis. Certain employees are required to obtain specific certifications or enhanced training relevant to their role. In addition, our continuous improvement team is trained in Six Sigma.

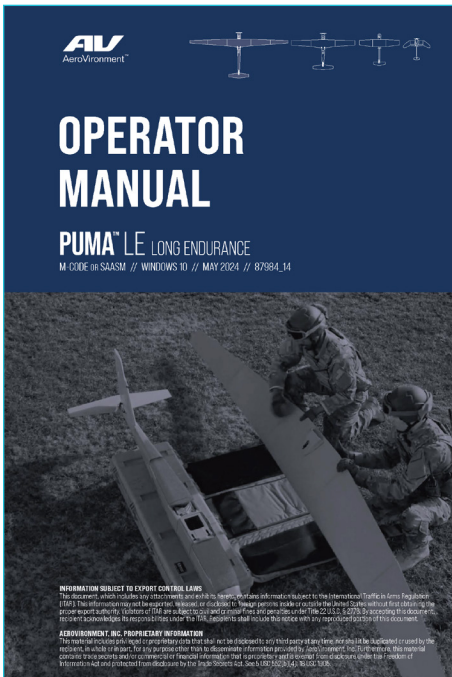
**THIS TEAM LEVERAGES LEAN** Six Sigma techniques to identify and implement process efficiency improvements, optimization, and waste reduction opportunities. In parallel with our QMS, the team routinely identifies ways to deliver exceptional quality to our customers while expanding the quality of our product lines.



**QUALITY MANAGEMENT  
SYSTEM PROTOCOLS**

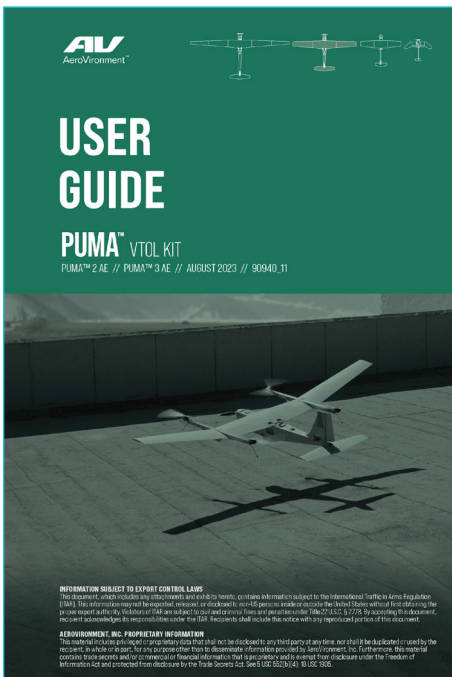
- SAFETY** *Engineering Process Procedure*
- ENGINEERING** *Product Development Process*
- SAFETY** *Design Guidelines*
- SYSTEM** *Safety Program Plan*
- AV** *Product Development Framework*
- AIRWORTHINESS** *(AW) Process*
- PRODUCT** *Lifecycle Policy*

# CUSTOMER TRAINING AND SAFETY



**AEROVIRONMENT PROVIDES COMPREHENSIVE TRAINING TO ITS CUSTOMERS REGARDING THE SAFE USE AND OPERATION OF ITS PRODUCTS.** We leverage state-of-the-art, interactive 3D digital training media to aid in information retention and to promote active learning. Courses offered include simulator-focused mission scenarios that provide real-world digital experiences and practical hands-on exercises. We also offer training for mission planning and live unmanned operations that take place in a controlled environment.

**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 support. For example, our logistics personnel provide support through planning, material management, supply chain management services, and more. Our Intelligence, Surveillance, and Reconnaissance (ISR) Services team offers 24-hour-a-day access in order to support our clients who are facing urgent demands and needs.



## CUSTOMER SERVICE KEY PERFORMANCE INDICATORS

- 1. CUSTOMER SATISFACTION (CSAT)**  
Evaluates service experience using Customer Support, Warranty, training survey responses, and more
- 2. FIRST CONTACT RESOLUTION (FCR)**  
Evaluates effectiveness of first customer contact through Customer Service channels
- 3. AVERAGE RESOLUTION TIME (ART)**  
Monitors average resolution times through Customer Service

## INDUSTRY CERTIFICATION

**AEROVIRONMENT'S CERTIFIED ISO-9001:2015** and AS9100D production and service facilities ensures that we provide a high-level quality management system to our customers. Through our [website](#) and engagement surveys, we ask our customers to provide us with direct feedback that we can analyze and enables us improve our products and training programs. In fiscal year 2024, we began tracking customer satisfaction metrics such as Customer Satisfaction (CSAT), First Contact Resolution (FCR), and Average Resolution Time (ART). We are proud to report that our CSAT survey response and FCR rates exceeded our goals, with our CSAT response above 95%, and our FCR rate of 84%.

# ENVIRONMENT

## ENVIRONMENTAL MANAGEMENT

**AT AEROVIRONMENT, WE ARE** dedicated to sound environmental management rooted in sustainable innovation.

**WE REMAIN OF THE** opinion that sustainable business practices translate to strong financial performance, customer loyalty, and positive employee engagement.

**FURTHERMORE, SUCH PRACTICES STRENGTHEN** the relationships we have with the communities where we work, live, and operate.

**OUR ENVIRONMENTAL POLICY IS** written to enhance our Code of Conduct and is supported also by our Safety Policy. It defines our approach to environmental management such as resource conservation, energy efficiency, and pollution prevention.

**IT ALSO ADDRESSES COMPLIANCE** requirements for applicable permits, laws, and regulations. In addition to our quality [certifications](#), we also hold accreditations for environmental management such as [ISO14001](#).

**THROUGHOUT THE YEAR,** we conduct internal and external audits to ensure we remain in compliance with our policies and those set forth by regulators.

**WE CONTINUE TO MONITOR,** assess, and prepare for potential changes to regulations as well as disclosure requirements.

FOR MORE INFORMATION, *please see our [Environmental Policy](#) and the [Sustainability](#) section of our website.*

## AEROVIRONMENT'S SUSTAINABILITY COMMITMENT

- 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.**



## EFFICIENCY IN OUR PORTFOLIO

**DR. PAUL B. MACCREADY, JR. CONTINUES TO LEAVE A LASTING IMPRESSION ON AEROVIRONMENT AS WE INCORPORATE VARIOUS ASPECTS OF SUSTAINABILITY INTO OUR ORGANIZATION, FROM THE VERY START OF PRODUCT RESEARCH AND DEVELOPMENT THROUGH TO THE FINAL PRODUCT.**

**AEROVIRONMENT CONTINUES TO PURSUE** energy efficiency throughout its portfolio, offering solutions and products that are used in some of the harshest known environments both on our planet and beyond. We also continue to develop lower carbon, zero-emission solutions that are energy efficient, enabling our customers to reduce their environmental impact while achieving their missions.

**WE ARE ALSO INCORPORATING** advanced communications technologies into our products to further expand the distance needed between equipment, further driving the safety and security of operators. We remain one of the largest electric uncrewed aircraft systems manufacturers in the world and continue to push the limits, creating new possibilities for our people and our planet.

**WE ARE EXTREMELY PROUD** of our tenured history and of the MacCreedy Works Advanced Solution team as they push the limits of modern technology. Today, roughly 90% of our product portfolio’s revenue is from battery-powered equipment.

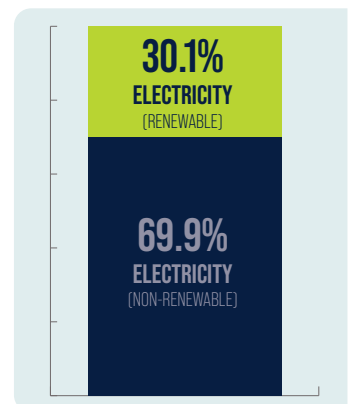
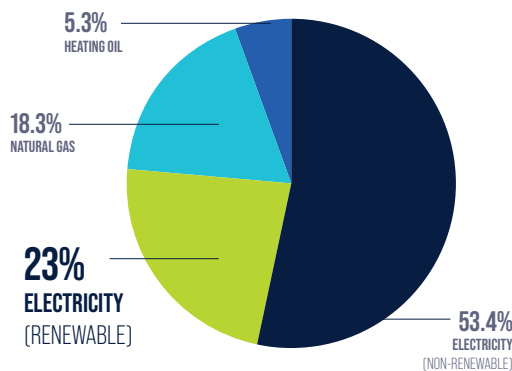
**OUR CALIFORNIA LOCATIONS, WHICH REPRESENT MORE THAN 79% OF OUR GLOBAL ENERGY CONSUMPTION, are using the Clean Power Alliance which derives ENERGY FROM RENEWABLE SOURCES. We pay a premium to our energy providers to ensure that specific percentages of our energy are from renewable sources. This program in turn promotes INCREASING AVAILABILITY OF RENEWABLE ENERGY IN THE REGION.**

## EFFICIENCY IN OUR OPERATIONS

**BEYOND OUR PRODUCTS THEMSELVES,** energy efficiency remains integral to our business model, influencing our product portfolio and operations. As described within our Code of Conduct and our Environmental Policy, we strive for continuous improvement and sustainable innovation.

**AS WE CONTINUE TO** promote energy efficiency within our operations, in fiscal year 2024, we changed fluorescent lights to energy efficient LED lights in multiple of our offices. This year, our global locations consumed approximately 9,053,000 kilowatt hours (kWh) of energy. More than 76% of this energy came from electricity directly from the grid. Through power purchase agreements, we were also able to secure more than 30% of our global electricity consumption from renewable sources. The remainder of our energy consumption was from natural gas and heating oil. This year, we began the process of pursuing LEED certification at one of our facilities. We look forward to learning from this pilot program and exploring how we can further expand our energy efficiency programs in the future.

### 2024 ENERGY MIX // RENEWABLE vs. NON-RENEWABLE



## WATER

**WATER IS A VITAL** resource for several industries, leading various stakeholders and shareholders to express their concerns over water availability and reliability. While our operations and our products are not considered to be high water consumers, we still consider the impacts of our operations on water as it relates to environmental compliance and responsible use.

**WE PRIMARILY USE WATER** at our production and office facilities for hygienic purposes, maintaining our “No Exposure Certificate” with the local and federal Environmental Protection Agency (EPA) in the U.S. In many cases, water usage is included within the lease contracts of our office facilities, therefore we are unable to separately track and accurately report the water withdrawals for those locations. However, we do track and monitor water-related metrics across our production facilities. During our fiscal year 2024, our water withdrawals came from local municipalities and remained relatively stable compared to our 2023 results. In total, we withdrew nearly 5% more water this year, equivalent to approximately 14,700 cubic meters (m<sup>3</sup>), excluding our most recent acquisition of Tomahawk which we are working to incorporate into future years.

**WHILE THE PRIMARY USE** of water on-site is for hygienic purposes, water is also used for landscaping purposes. Our landscaping is inspected on a weekly basis by a third party and by our Facilities Preventative Maintenance team monthly to ensure our irrigation is functioning properly. These inspections help our facilities maintain regulatory compliance, including California initiatives and regulations that encourage landscape water usage reductions.

**AEROVIRONMENT MONITORS WATER-RELATED POLLUTION** and contamination concerns through its Environmental, Health and Safety program. We regularly review best practices and regulatory requirements published by local, state, and federal authorities to ensure that our operations are aligned and that they do not negatively interfere with our community stakeholders. Training on water topics, such as discharge, is included in our general safety training program, and is administered annually to all employees. Failure to comply with AeroVironment’s Environmental, Health, and Safety standards or regulations may lead to disciplinary actions, up to and including termination.



## WASTE

### **AEROVIRONMENT’S ENVIRONMENTAL POLICY**

**REINFORCES** our commitment to conducting our business in an environmentally responsible manner and

further informs our approach to waste management. We aim to minimize waste generation through source reduction and recycling efforts, and we handle and dispose of waste through safe and environmentally responsible methods.

**IN FISCAL YEAR 2024**, one of our locations began to pilot a new food waste reduction initiative by composting food waste onsite, distributing food-specific containers, and placing recycling bins throughout the facility. We have also continued our ISO 14001 initiative which seeks to divert batteries, lightbulbs, and coolants from hazardous and universal waste streams. This program aligns well with our existing electronic waste (e-waste) recycling programs in California, which capitalize on salvaging components from obsolete technology. Revenue that we generate from the waste recycling program at our Simi Valley and Moorpark locations is donated back to the [Simi Valley Education Foundation](#), a partnership that began in 2017.

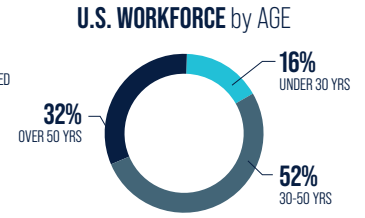
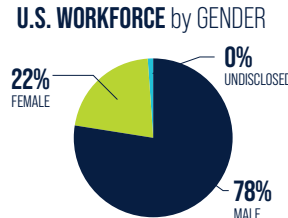
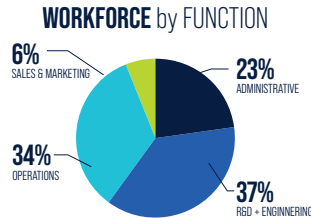
**AS PART OF OUR** Environmental, Health, and Safety Program, we train our employees on waste management and hazardous materials. We host a variety of hazardous waste trainings that cover specific types of materials including but not limited to aerosols, e-waste, batteries, and waste oil. Materials that cannot be recycled or reused are disposed of in compliance with local and federal regulations. We have additional supporting policies and procedures to further reinforce our commitment to proper waste management such as our Chemical Hygiene Plan, Hazardous Material Management Plan, Hazard Communication Program, and more. We do not currently consolidate waste information at the corporate level. Our facilities routinely undergo audits in line with various waste programs such as those administered by California’s Certified Unified Program Agencies (CUPA) to ensure we are meeting applicable legal requirements. We also conduct weekly inspections of our hazardous waste to ensure it is properly stored, labeled, and prepared for disposal. In the fiscal year 2024, we did not have any reportable spills.

# SOCIAL

## WORKFORCE DEMOGRAPHICS

**AEROVIRONMENT'S MOST VALUABLE ASSET IS THE MORE THAN 1,400 EMPLOYEES WHO ARE THE DRIVING FORCE BEHIND OUR SUCCESS.** Our employees routinely share that they feel welcome, that they can be themselves, and that people care about one another. We believe this reflects the culture we work hard to cultivate, one that fosters authenticity, innovation, and open communication.

**IN FISCAL YEAR 2024**, our global workforce population grew as a result of both organic growth and the recent Tomahawk Robotics acquisition, bringing our employee headcount to 1,428 employees, of which 98% were considered full-time employees. We hired 338 new employees, and 269 employees were terminated or retired.



### TENURE IN YEARS



## LABOR PRACTICES

**AEROVIRONMENT CONTINUES TO PROTECT** and promote fair employment practices within our operations and throughout our value chain. Our expectations are outlined in our Code of Conduct as well as in our supplier contracts. All employees receive training as part of their onboarding process which covers policies such as our Code of Conduct, anti-discrimination policy, anti-bribery policy, and more. Employees are required to participate in routine trainings on business ethics as well as job-specific training on an annual or biennial basis.

### OUR LABOR PRACTICES AND POLICIES ARE DESIGNED TO MEET OR EXCEED ALL APPLICABLE LABOR AND EMPLOYMENT LAWS.

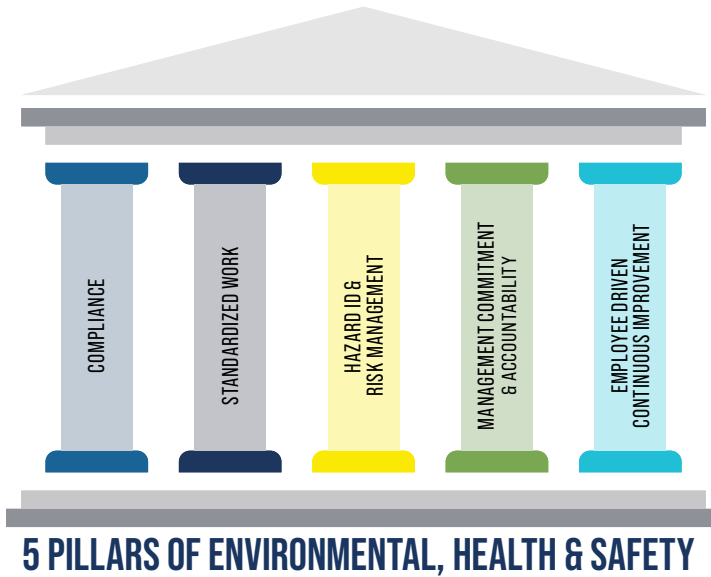
These include, but are not limited to, laws relating to discrimination and harassment, privacy, forced labor and slavery, and freedom of association. We respect the rights of employees to choose whether they want to be represented by a collective bargaining unit, and we do not have any operations in which the right to exercise freedom of association is at a significant risk.

**OUR SUPPLIERS ARE REQUIRED** to obey applicable laws and regulations regarding the fair treatment of workers and to provide a safe and healthy workplace environment. To the best of our knowledge, we do not conduct business with suppliers who engage in modern slavery, including forced or child labor. As described previously, we engage with third parties to help us monitor changes in various regulations, including labor laws, and conduct audits to ensure compliance with applicable laws and AeroVIRONMENT's contractual expectations. Failure to comply with the AeroVIRONMENT Supplier Quality Requirements Manual, other related policies, or applicable laws and regulations may result in reduced preferential treatment up to contract termination, depending on the situation and severity of non-compliance.

**WE ENCOURAGE OUR EMPLOYEES** to look out for one another, keeping each other safe throughout the day. We foster an open communication culture that enables employees to report concerns directly to their managers or others in leadership positions when appropriate. We request that employees report any known or suspected violation of the law or AeroVIRONMENT's policies immediately. Employees who are uncomfortable speaking to a manager may raise a concern through our Ethics and Compliance Hotline, which is available 24 hours per day, seven days per week. Likewise, stakeholders who are concerned may also use the [hotline](#) or [contact us](#) through our website. All questions or reports of known or suspected violations of the law or our Code of Conduct are investigated. Failure to comply with AeroVIRONMENT's policies and procedures, including those described in the Code of Conduct, may lead to disciplinary actions, including termination.

# ENVIRONMENTAL, HEALTH, AND SAFETY

**SAFETY IS OUR MISSION.** It's at the very core of what we do, creating systems that allow handlers to safely navigate extreme and hostile environments with a high degree of precision. For our employees, suppliers, customers, and stakeholders, we embed safety practices into our daily operations. Coupled with targeted programs and policies, we have created a proactive safety culture that prioritizes safe working conditions, a healthy working environment, and a resilient workforce. In doing so, we create a clear runway for innovation, leading to a highly productive and engaged workforce.



**OUR ENVIRONMENTAL, HEALTH, AND SAFETY** Management System is built upon five core pillars: Compliance, Standardized Work, Hazard Identification and Risk Management, Management Commitment and Accountability, and Employee Driven Continuous Improvement. These pillars are reinforced throughout our entire organization as we continuously evaluate the various health and safety risks present within our operations. The AeroVironment Manager of Environmental, Health, and Safety is responsible for reviewing and overseeing company safety policies, programs, and training, ensuring they are fit for purpose and align with our company's core values.

## 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
- Explosive Safety
- Respiratory Protection
- Chemical Hygiene
- Heat Illness Prevention
- Low Voltage Electrical Safety

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

## EHS POLICIES

- Chemical Hygiene Plan
- Contractor Safety Guide
- EHS Records Retention
- Electrical Safety
- Emergency Action Plan
- Environmental Commitment
- Ergonomic
- Explosives Safety
- Exposure Control
- Fire Extinguisher
- Hazard Communication
- Hazardous Materials Management
- Heat Illness Prevention
- Hot Work
- Laser Safety Manual and Program
- Lock Out Tag Out (LOTO)
- Respiratory Protection
- Safety Glasses
- Safety Shoes

[AND MORE](#)

## INJURY AND ILLNESS PREVENTION PROGRAM

- HEALTH & Safety Policy
- ROLES & Responsibilities
- INCIDENT Reporting & Investigation
- INSPECTION & Records
- HEALTH Surveillance
- SAFETY Procedures
- SUPPORTING Forms & Checklists
- HAZARD Assessment
- HAZARD Correction
- TRAINING
- RECORDS
- REWARDS, Enforcement, Disciplinary Policy, and Procedures

[AND MORE](#)

## EHS TRAINING

- General Office Safety and Reporting
- Chemical Safety
- Essentials of Six Sigma
- Ladder Safety
- Back Safety and Injury Prevention
- Hazard Communication (U.S.)
- Electrical Safety: General Awareness
- Laser Safety
- Nitrogen Safety Awareness
- Arc Flash and Electrical Safety Best Practices (NFPA 70E 2024 Edition)
- Personal Protective Equipment (PPE) Courses
- Hazardous Waste Management

[AND MORE](#)

\*EHS policies and training only applies to our U.S. facilities and employees.



## SAFETY POLICIES AND INITIATIVES

**IN OUR MOST RECENT EMPLOYEE ENGAGEMENT SURVEY, 94% OF OUR COLLEAGUES SAID THAT AEROVIRONMENT IS A PHYSICALLY SAFE PLACE TO WORK, A REFLECTION OF OUR STRONG COMMITMENT TO EMPLOYEE SAFETY.** We highly value the input and feedback from our employees; therefore, we routinely seek it. We provide direct channels for our employees to share ideas, ask for guidance or clarification, and report concerns they may have. We thoroughly review and address feedback raised by employees, taking appropriate actions to ensure that our values as well as policies and procedures are upheld.

**OUR INJURY AND ILLNESS PREVENTION PROGRAM (IIPP) COVERS ALL ON-SITE AND OFF-SITE EMPLOYEES,** as well as contractors and all temporary employees who perform AeroVironment work or are working on our behalf. We routinely host formal training initiatives to reinforce policies, procedures, as well as responsibilities. Regulations such as the U.S. Occupational Safety and Health Administration (OSHA), U.S. Department of Transportation (DOT), and U.S. Safer Federal Workforce Task Force regulations are embedded within our policies to ensure we remain in compliance with applicable laws and requirements. During the fiscal year, our global workforce spent an average of 90 minutes on safety training.

**WE ARE PROUD TO HOST A NUMBER OF PERMITS,** certifications, and licenses reflecting our commitment to environmental health and safety. These include ISO 14001, as well as several Certified Unified Program Agencies (CUPA) hazardous waste permits, U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Explosives and Firearms licenses, DOT Unified Carrier Registration, and more.

**WE ALSO UNDERGO A NUMBER OF SAFETY AUDITS AND INSPECTIONS THROUGHOUT THE YEAR TO IDENTIFY IMPROVEMENT OPPORTUNITIES AND NEW RISKS.** In the event of an incident, we conduct root-cause investigations to identify and implement corrective actions. This year, our sites each underwent an average of 100 audits led by internal subject matter experts or independent third parties. Audits covered topics such as safety, health, and compliance matters. Non-compliance with AeroVironment's Environmental Health and Safety Standards or regulations can result in disciplinary actions, up to and including termination.

### 2024 CERTIFICATIONS

- ISO 14001
- ATF Explosives Licensing
- ATF Firearms Licensing
- CALIFORNIA State Waterboard NECs
- DOT Unified Carrier Registration

### PERMITTING

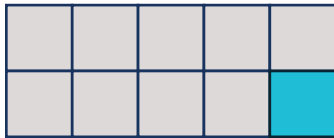
- VENTURA Co. Air Pollution Control District
- BAY AREA Air Quality Management District
- VENTURA Co. CUPA (Hazardous waste)
- SONOMA Co. CUPA (Hazardous waste)
- VENTURA Co. Fire Dept. Explosives
- SONOMA Co. Fire Dept. Spraying/Dripping
- DOSH Air Pressure Tank

### AND MORE

# BENEFITS AND COMPENSATION

**AEROVIRONMENT IS COMMITTED TO SUPPORTING THE PHYSICAL,** emotional, and financial health of our workforce. In addition to policies that encourage health and wellness, we offer competitive benefits and salaries, most of which begin upon the date of hire. Our compensation packages are reviewed and adjusted on a regular basis to align with industry best practices and to provide greater transparency for our employees. For example, we evaluate the base pay of our employees annually during their Compensation Review, where performance and pay range placement are used to inform annual merit increases. Our regular, full- and part-time employees are eligible to participate in our annual incentive bonus program.

**AS PART OF OUR BENEFITS AND WELLNESS PACKAGE,** we also include financial wellness offerings, including tools to help our employees build their wealth, protect their most valuable assets, and plan for retirement. For healthcare, we offer a variety of benefits including dental, hearing, and vision insurance plans that meet or exceed legal obligations. We host monthly online benefits Q&A sessions to educate our employees on the variety of benefits that are currently available to help them make the most of these tools.



EVERY OTHER  
**FRIDAY OFF**

**WE CONTINUE TO OFFER OUR ALTERNATIVE WORK SCHEDULE TO OUR U.S.-BASED EMPLOYEES,** promoting a stronger and more flexible work-life balance. On this schedule, employees work their normal 80 hours over the course of nine days instead of the more traditional 10-day period. We also provide our employees with opportunities to refine or expand their skill sets, encouraging them to take charge of their personal growth and development. We offer an Educational Assistance Program (EAP) along with Tuition Assistance Programs to support our employees as they further their education and training goals. Our full-time employees are eligible for reimbursement for undergraduate and graduate coursework, certificate programs, and non-degree courses, allowing flexibility for our employees to design their futures.

**FINALLY,** the Compensation Committee of the Board of Directors is responsible for reviewing and overseeing the executive leadership team's compensation package each year. The committee retains an independent consultant to provide insight regarding compensation decisions. We publish executive compensation information regarding our CEO and Named Executive Officers (NEO) within our annual proxy statement (DEF 14A) as required by the SEC. Information regarding the incentive details and our Clawback Policy are also housed within the annual proxy statement, which is available from the Financial Information section of our [website](#). In fiscal year 2024, our CEO received \$822,127 as a base salary and the annual total compensation ratio of median employee to CEO was 67.3:1.

## U.S. EMPLOYEE BENEFITS AND WELLNESS OFFERINGS

### WORK/LIFE

- **ALTERNATIVE** Work Schedule
- **EDUCATION** and Tuition
- **ASSISTANCE** Programs
- **EMPLOYEE** Assistance Programs
- **TRAVEL** Assistance

### HEALTH

- **MEDICAL**
- **DENTAL**
- **MEDICAL** and prescription drugs
- **TELADOC**
- **VISION**
- **WELLNESS**

### ADDITIONAL BENEFITS AND PROGRAMS

- **BRAVO!** Employee Recognition Program
- **COMPANY** Sponsored Events
- **EMPLOYEE** Discounts
- **EMPLOYEE** Referral Program

### WEALTH/INCOME

- **401K**
- **ACCIDENT** Plan
- **CRITICAL** Illness Plan
- **DISABILITY** Insurance
- **IDENTITY** Theft
- **LIFE** and AD&D Insurance

**FOR MORE INFORMATION** on the range of benefits available to our U.S. employees, please visit the [Benefits and Compensation](#) section of our website.

## TALENT RETENTION, DEVELOPMENT, AND ATTRACTION

**AT AEROVIRONMENT, WE ARE** dedicated to attracting, fostering, and retaining the best and brightest minds. We are intentional in designing programs that attract new talent while retaining and developing our current employees. We are pleased with the positive feedback we receive from our employees, and we are encouraged that our employees are choosing to develop long and tenured careers with us.

### EMPLOYEE RETENTION

**EMPLOYEE RETENTION IS EMBEDDED WITHIN OUR EMPLOYEE DEVELOPMENT PROGRAM.** We encourage our employees to participate in our EAP and Tuition Assistance Program, allowing them to grow into new roles as they progress in their careers with us. We offer programs like our mentorship program, which pairs employees together to help build meaningful relationships and networks, develop new skills and perspectives, and enhance both the mentor and mentee's career journey. We see the success of these programs reflected in our employee engagement responses and through our tenured workforce. Through the fiscal year 2024, nearly 33% of our employees have been at AeroVironment for six or more years.

### EMPLOYEE TRAINING AND DEVELOPMENT

**WE FIND VALUE IN** offering a wide range of training and development opportunities for our employees, including training courses, educational assistance programs, and tuition assistance programs. Our intent is to partner with our employees to enhance their knowledge and skills to meet their own personal and career development goals while simultaneously strengthening AeroVironment's workforce capabilities.

**AEROVIRONMENT OFFERS OUR EMPLOYEES** a digital library of self-paced training modules and resources. Courses cover a wide range of topics such as leadership development, people management, regulatory and policy compliance, functional skills, and more. Managers and employees are required to complete targeted annual, periodic, and ongoing training programs specific to their roles and responsibilities. As our digital learning program continues to expand, we are seeing our employees taking advantage of the opportunities to both upskill and reskill. We are encouraged and proud of their self-motivation to seek out professional development opportunities. Through the end of calendar year 2023, our employees completed more than 22,900 courses, averaging almost 10.3 hours of training per employee.

#### EXAMPLES OF DIGITAL COURSES:

- GET SMARTER with Goals
- 8 KEYS to a More Respectful Workplace
- WORKING WELL with Everyone
- EMOTIONAL INTELLIGENCE
- BUSINESS EMAIL Etiquette
- ESSENTIALS OF Six Sigma
- THE ABCS of Effective Communication
- ANYONE CAN Be an Ally: Speaking Up for an LGBTQ Inclusive Workplace

### BRAVO! EMPLOYEE RECOGNITION PROGRAM

# BRAVO!

**AEROVIRONMENT CONTINUES TO LEVERAGE ITS BRAVO! PROGRAM,** an employee recognition and reward program designed to celebrate outstanding achievements, contributions, and milestones within our company. Financial rewards range from \$50 to \$500, depending on the project and circumstances. The foundational goal of this program is to foster a culture of appreciation and gratitude, boost morale, and motivate our employees while reinforcing our company values and goals.

## EMPLOYEE RECRUITMENT AND INTERNSHIPS

**WE ARE PROUD TO BE ONCE AGAIN RECOGNIZED AS A WAYUP TOP 100 INTERNSHIP PROGRAM IN THE CALENDAR YEAR OF 2023.**

AeroVironment's commitment and dedication to investing in the program, as well as other internship opportunities, allows us to identify a diverse group of students from around the United States who bring in new and innovative perspectives. Our interns are challenged with real-world problems and are given the opportunity to work alongside our employees to develop and test their solutions. Interns gain critical knowledge and skills to work through the various stages ranging from R&D, engineering, and manufacturing to marketing and sales. During fiscal year 2024, we were excited to offer and hire 13 of our interns from 11 Minority Serving Institutes (MSI).



## MY INTERNSHIP EXPERIENCE WAS TRULY EXCEPTIONAL.

*I was able to participate in hands-on work that genuinely applied my educational background to a real-world setting. The support and guidance from my team and everyone I met made me feel like I was an integral part of the team and pushed me to explore new out-of-the-box solutions that I wouldn't have thought possible. Overall, the experience has allowed me to develop as an engineer and an individual, boosting my confidence, creativity, and ingenuity."*

Cason Kerrick,  
Intern Class of 2024

**OUR TALENT OUTREACH PROGRAM** continues to coordinate with a range of talent development programs like the [Society of Women in Engineering](#), the [Society of Hispanic Professional Engineers](#), and the [National Society of Black Engineers](#). Our efforts to engage with organizations like these enable us to reach thousands of prospective employees throughout the year that help recruit and retain diverse engineering and technology talent around the world.



**BEYOND INTERNSHIPS, WE ROUTINELY** attend a variety of industry-specific recruitment and talent attraction events throughout the year. For example, this year we attended MassRobotics, the annual Women's Engineering International Conference (WE23), as well as several college and career fairs. Throughout the course of fiscal year 2024, we attended the career fairs at Virginia Tech, University of Southern California, University of Minnesota, University of California Los Angeles, Stanford University, Purdue University,



California Institute of Technology, California Polytechnic State University, and California Polytechnic State University. Next year, we will be adding additional locations to our career fair schedule.

## SPARK: IGNITING POTENTIAL, ILLUMINATING POSSIBILITIES



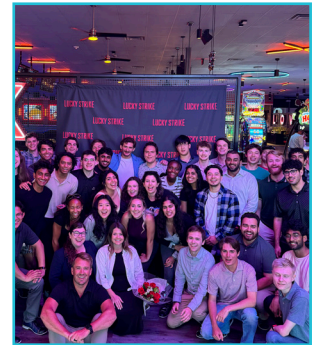
**THIS PROGRAM IS AEROVIRONMENT'S** leadership and professional development program designed to help employees develop and enhance their leadership skills. The program is made up of a comprehensive series of workshops, assessments, coaching, and mentoring.

## FRANKLINCovey LEADERSHIP FOUNDATION:

**WE CONTINUED OUR PARTNERSHIP** with FranklinCovey to implement The 6 Critical Practices of Leading a Team™. The program seeks to help participants develop a leadership mindset and the skills necessary to lead themselves and others more effectively. This reflects our desire to create a culture of leadership and accountability in all areas of our organization. More than 70% of our current managers are active in the program.



**FOR MORE INFORMATION** about hiring opportunities, including current job openings and our hiring process, please visit the Talent Outreach section of our [website](#).



## EMPLOYEE ENGAGEMENT



**WE ARE PROUD TO** continue our partnership with **Great Place to Work, Inc.**, and have again achieved the certification as a Great Place to Work. This status is awarded based on exceptionally high ratings from our employees worldwide. We appreciate that this achievement is a testament to our commitment to fostering a positive and inclusive workplace environment.

**DURING THE LATEST CERTIFICATION CYCLE**, we saw encouraging increases across many of our metrics and continue to exceed industry standards for overall positive engagement. For example, employees have said that they find AeroVironment to be a fun place to work, that they are made to feel welcome when they join the company, and that people celebrate special events within the organization. Our employees also report that they can be themselves, a reflection of our commitment to fostering a workplace that is free from harassment and allows creativity and innovation to thrive.

**88%**

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

**88%**

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

**86%**

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

**86%**

I'm proud to tell others that I work here.

**85%**

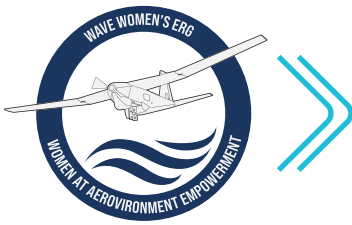
People here are given a lot of responsibility.

**OUTSIDE OF THE BIENNIAL** employee engagement surveys hosted by Great Place to Work, our CEO and Executive Leadership team host monthly on-site and virtual town halls, providing employees with opportunities to ask questions and speak directly with company leaders. Our company also hosts an internal intranet "AVConnect" page which allows our employees to submit feedback and questions throughout the year, further allowing a continuous feedback mechanism for our employees.

## EMPLOYEE RESOURCE GROUPS

**AT AEROVIRONMENT, WE LEAN** into the individuality of our employees. We understand and appreciate that each of us comes from a diverse background of life experiences and backgrounds, facing unique challenges along the way. To support our employees, in addition to our wellness benefits, we have two established Employee Resource Groups (ERGs): Pride Alliance and WAVE. Together, these ERGs help us celebrate diversity and inclusion while building trust and a sense of belonging. Our ERGs are critical in fostering our diversity, equity, and inclusion (DEI) efforts as well as supporting talent acquisition, development, and retention. Both ERGs are sponsored by an executive leader who provides guidance and feedback to the group throughout the year. We look forward to expanding our ERGs to provide more opportunities for connection and support to our employees.

### WAVE // WOMEN AT AEROVIRONMENT EMPOWERMENT



**WAVE IS OUR ERG** providing opportunities for members to develop and expand women's roles within our organization and across our organization. The inspiration behind the name is that we are collaborating on a movement, much like a wave, with the ability to make a profound impact when we move and work together. In fiscal year 2024, we celebrated our one-year anniversary of WAVE. We honored the achievements of women throughout history and within our organization during Women's History Month in March, including Lunch 'N Learn sessions, communication blasts, and more. We also host an ongoing internal media campaign, #Inspire Inclusion, highlighting the WAVE leadership team and its members.

### PRIDE ALLIANCE



**THE PRIDE ALLIANCE FOCUSES** on providing a supportive environment for its LGBTQ+ employees to grow both professionally and personally, with periodical leadership meetings, mentorship pairings, and community engagement events. The Alliance is also celebrating its one-year anniversary and has looked back on the year by gathering feedback and insights from members across the organization. In addition to Lunch 'N Learns, the ERG shared internal social media stories with its leadership team and members, including hosting a panel discussion on "How to be a Pride Ally." We look forward to expanding our alliance membership in the future as our employees continue to "Proceed with Pride."

## DIVERSITY, EQUITY, AND INCLUSION

**TRUST AND TEAMWORK REMAIN** core values that drive employee engagement, creativity, and innovation. We believe that as we encourage our employees to be their authentic selves, where they are empowered to innovate and simplify, we become a more viable company. For us, a diverse workforce therefore becomes a catalyst for innovation.

**THROUGHOUT THE YEAR, OUR** annual Diversity and Inclusion Calendar celebrates the various ethnicities, cultures, and backgrounds that make up the DNA of our workforce. For example, at the start of our fiscal year in May, we focused on Mental Health Awareness Month raising awareness and promoting resources for mental health support amongst our employees and our communities. In June, we celebrated Pride Month, promoting allyship for the LGBTQ+ community. In February, we honored Black History Month, and this year we shared "African Americans and the Arts" via an internal presentation.

**OUR DIVERSITY AND INCLUSION** Committee supported Lunch 'N Learns hosted by our ERGs, offered peer-to-peer mentorships, and reinforced policies and procedures to promote DEI through recruitment efforts. We launched a new training this year called "Unpacking DEI" for our employees across the company. It is designed to be interactive, blending presentations and group discussions with group activities which engages and encourages participation by attendees. The goal is to create a shared understanding of DEI principles and a sense of responsibility and respect within the workplace. We also hosted additional training sessions such as "Leading with Inclusion" for our managers and leaders, and "Mindful Communication" which fosters effective and respectful communication across all walks of life.

## COMMUNITY ENGAGEMENT

**AT AEROVIRONMENT, WE DEEPLY** value community support and seek opportunities to engage with our community throughout the year. In doing so, we foster supportive relationships that contribute to the social and economic vitality of our communities as well as our business. Through our corporate social responsibility program known as IMPACT!, we encourage and support volunteering, sponsorships, and community events that enrich local and national military and veteran support, as well as science, technology, engineering, and mathematics (STEM) education.

**THIS YEAR, TO ENSURE** our IMPACT! program is aligned with our core mission, we created a survey to assist us in filtering through potential new partnership opportunities. This process is also allowing us to better track and monitor our community engagement and outreach efforts. Throughout fiscal year 2024, we donated more than \$49,000 to organizations like the American Red Cross, American Cancer Society, and For the Troops.

Through **IMPACT!** our mission is to harness the power of community and social responsibility to create a brighter future for all. We strive to build meaningful relationships, support impactful causes, and engage our employees in volunteer work, driving positive change and making a lasting impact.

### AEROVIRONMENT ENGAGES WITH AND DONATES TO LOCAL COMMUNITIES THROUGH SPONSORED EVENTS AND ORGANIZATIONS INCLUDING:

- **FOR THE TROOPS GALA EVENT SPONSOR:**

Financial support providing “We Care” packages to American military personnel.

- **2023 BOYS/GIRLS CLUB GOLF CLASSIC SPONSORSHIP:**

Sponsorship to help cover the cost of supplies and provide guidance-oriented programming.

- **AMERICAN CANCER SOCIETY RELAY FOR LIFE EVENT SPONSOR:** Funding and awareness campaign through the Relay for Life event.

- **WINGS OVER CAMARILLO STEM PAVILION SPONSOR:** Funding to support STEM education for students.

- **SIMI VALLEY ROTARY CLUB ANNUAL FEST SPONSOR:** Financial support addressing critical issues such as education, health, and economic development, ensuring that our combined resources and efforts lead to sustainable and meaningful outcomes.

- **SIMI VALLEY EDUCATION FOUNDATION:**

Sponsorship to help cover the cost of supplies and student engagement in STEM related projects.

- **CHALLENGER ELEMENTARY SCHOOL SPONSORSHIP:** Sponsorship to help cover the cost of supplies and student engagement.

- **SANTA MONICA AIRPORT OPEN HOUSE SPONSORSHIP:** Financial support to provide flight education scholarships to underprivileged individuals.

- **SPARK OF LOVE TOY DRIVE EVENT SPONSOR:** Toy drive for underprivileged youth in Southern California each Christmas.

- **GBES STEM ROBOTICS TEAM SPONSORSHIP:** Sponsorship to help cover the cost of supplies and entry fees.

- **AND MORE!**



## CLOSING

**AS WE CLOSE OUT EACH YEAR, WE ARE EXCITED TO LOOK BACK AND SEE HOW FAR WE HAVE PUSHED OURSELVES, GOING BEYOND THE KNOWN LIMITS AS WE EXPLORED AND CREATED NEW SOLUTIONS.** Likewise, we are also encouraged by the progress we have made regarding our corporate social responsibility and ESG programs. As we carry forward, we are monitoring upcoming ESG disclosure requirements that may affect our organization. For example, we are exploring the Task Force on Climate-related Financial Disclosures (TCFD) recommendations this year as we prepare for mandates set forth by the State of California and other jurisdictions that may follow. We look forward to continuing on this path and reporting our results in next year's CSR report. We hope you will follow along with us as we proceed with certainty.



## APPENDIX A – MATERIALITY ASSESSMENT

AS DESCRIBED IN OUR STAKEHOLDER ENGAGEMENT SECTION, AeroVironment engaged with a third party to conduct our formal materiality assessment. The process allowed us to understand which ESG topics are most important to our business and our stakeholders. The end results have informed our organization, especially our ESG strategy which is evolving to meet current and upcoming legislative requirements.

### STEP 1: TOPIC IDENTIFICATION

WE CONSIDERED GUIDANCE AND recommendations from a variety of sources to help us identify an initial list of material issues.

#### THIS INCLUDES:

- 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.

IDENTIFIED TOPICS WERE REFINED AND GROUPED INTO THREE CATEGORIES: ENVIRONMENTAL, SOCIAL, AND GOVERNANCE.

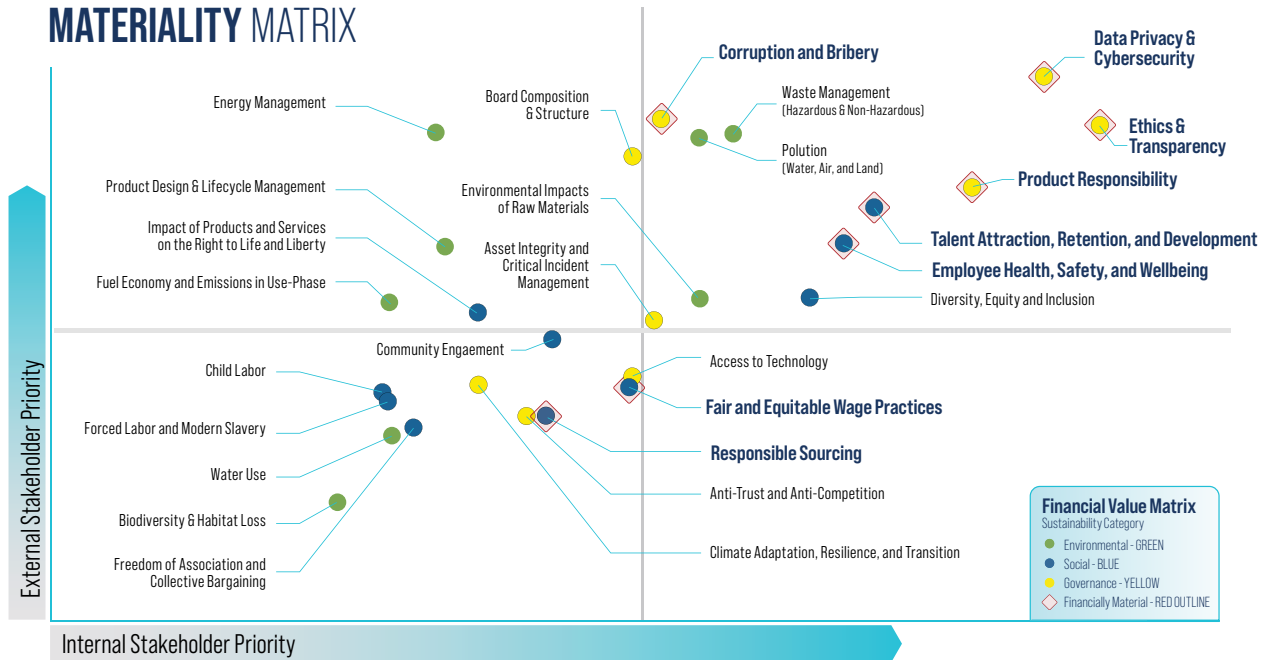
### STEP 2: STAKEHOLDER IDENTIFICATION AND ENGAGEMENT

A COMPREHENSIVE LIST OF INTERNAL AND EXTERNAL STAKEHOLDERS SUCH AS CUSTOMERS, employees, and other organizations were selected for engagement based on their interest or influence upon AeroVironment's sustainability activities, including their ability to capture candid and complete perspectives. These stakeholders were engaged either through interviews or web-based surveys. In both approaches, participants were tasked with evaluating and prioritizing the identified environmental, social, and governance topics according to their perceived impact and financial value upon AeroVironment's operations.

### STEP 3: VALIDATION

BASED ON THE FEEDBACK GATHERED, TOPICS WERE ASSESSED ACCORDING TO THE STAKEHOLDER PRIORITIES. In doing so, AeroVironment was able to determine which topics are or are most likely to be material to its organization.

# MATERIALITY MATRIX



## Definitions of Material Topics

TOPIC	DEFINITION
<b>ACCESS TO TECHNOLOGY</b>	The development of products that support and promote the distribution and access of telecommunications technology to underserved peoples and regions.
<b>ASSET INTEGRITY AND CRITICAL INCIDENT MANAGEMENT</b>	The prevention and control of incidents that can lead to fatalities, injuries, illness, environmental impacts, and damages to local communities or infrastructure.
<b>CORRUPTION AND BRIBERY</b>	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.
<b>DATA PRIVACY AND CYBERSECURITY</b>	The risk of ensuring transparent business operations and the commitment to conduct business to the highest standards of ethics and integrity.
<b>DIVERSITY, EQUITY, AND INCLUSION</b>	The importance of a diverse, equitable, and inclusive work environment for all employees, regardless of gender identity, national origin, race, color, creed, sexual orientation, or other background characteristics that can be obtained through hiring practices, sponsored programs, or employee engagement.
<b>ETHICS AND TRANSPARENCY</b>	The importance of ensuring transparent business operations and the commitment to conduct business to the highest standards of ethics and integrity.
<b>EMPLOYEE HEALTH, SAFETY, AND WELLBEING</b>	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.
<b>ENVIRONMENTAL IMPACTS OF RAW MATERIALS</b>	Impacts on the environment caused by processes associated with procuring materials for AeroVironment's business, including impacts from raw material extraction, smelting, and transformation.
<b>FAIR AND EQUITABLE WAGE PRACTICES</b>	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.
<b>POLLUTION (WATER, AIR, AND LAND)</b>	Impacts of AeroVironment's operations and value chain on normal ecosystem functions, including air, land, and water pollution.
<b>PRODUCT RESPONSIBILITY</b>	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.
<b>RESPONSIBLE SOURCING</b>	Impacts of direct and indirect suppliers on workers and communities.
<b>TALENT ATTRACTION, RETENTION, AND DEVELOPMENT</b>	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.
<b>WASTE MANAGEMENT (HAZARDOUS AND NON-HAZARDOUS)</b>	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.

## APPENDIX B – SASB INDEX: AEROSPACE DEFENSE STANDARD

TOPIC	METRIC	CODE	RESPONSE
<b>Energy Management</b>	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable	RT-AE-130a.1	(1) 9,053,000 kWh (2) 76% (3) 23%
	(1) Amount of hazardous waste generated (2) Percentage recycled	RT-AE-150a.1	AeroVironment does not collect this information on a consolidated company level.
	(1) Number and aggregate quantity of reportable spills (2) Quantity recovered	RT-AE-150a.2	(1) 0 spills (2) N/A
<b>Data Security</b>	(1) Number of data breaches (2) Percentage involving confidential information	RT-AE-230a.1	(1) 0 (2) 0
	Description of approach to identifying and addressing security risks in: (1) Entity operations (2) Products	RT-AE-230a.2	Refer to the Information Security and Data Privacy section.
<b>Product Safety</b>	(1) Number of recalls issued (2) Total units recalled	RT-AE-250a.1	(1) 0 recalls issued (2) 0 units recalled
	(1) Number of counterfeit parts detected (2) Percentage avoided	RT-AE-250a.2	(1) 0 counterfeit parts detected (2) N/A; no parts detected
	(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.
<b>Fuel Economy &amp; Emissions in Use-phase</b>	Revenue from alternative energy-related products	RT-AE-410a.1	Approximately 90% of our portfolio is 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 and Greenhouse Gas Emissions sections.
<b>Materials Sourcing</b>	Description of the management of risks associated with the use of critical materials	RT-AE-440a.1	Refer to the Responsible Business Operations section.
<b>Business Ethics</b>	Total amount of monetary losses as a result of legal proceedings associated with incidents of corruption, bribery, 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. For additional information, please see our Annual Report.
	Discussion of processes to manage business ethics risks throughout the value chain	RT-AE-510a.3	Refer to the Responsible Business Operations section.
<b>Activity Metric</b>	Production by reportable segment	RT-AE-000.A	A number of our products and related services are sold to organizations within the U.S. 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 employees	RT-AE-000.B	1,428

## APPENDIX C – ADDITIONAL PERFORMANCE DATA

TABLE 1. Supply Chain

METRIC	2023 RESULTS	2024 RESULTS
Number of active suppliers <sup>1</sup>	~300	~300
Number of Revision Controlled Suppliers <sup>2</sup>	Not previously reported	~135
Supplier spend with small business (USD)	\$51,400,000	\$126,000,000
Supplier spend with minority-owned business (USD)	\$1,900,000	\$6,100,000
Supplier spend with female-owned businesses (U.S. dollars)	Not previously reported	\$5,100,000

<sup>1</sup>In 2023, we reported total suppliers, which equated to nearly 1,200 global suppliers in our database. In 2024, we are reporting active suppliers with whom we have conducted business this year.

<sup>2</sup>Revision Controlled suppliers are those which provide support to AeroVironment following our revision-controlled documents. They are a subset of our active suppliers.

TABLE 2. Product Audits

METRIC	2023 RESULTS	2024 RESULTS
Quality Management System Audits	10	24

TABLE 3. Environmental Metrics

METRIC	2023 RESULTS <sup>1</sup>	2024 RESULTS
Total energy consumption (kWh)	9,000,000	9,053,000
Non-Renewable electricity consumption (kWh)	4,900,000	4,834,000
Renewable electricity consumption (kWh)	2,300,000	2,084,000
Natural gas energy consumption (kWh)	1,800,000	1,659,000
Heating oil consumption (kWh)	Not applicable	476,000
Percentage of grid supplied electricity	80%	76%
Percentage of renewable electricity consumed out of total energy use	>30%	23%
Water withdrawal (m3)	~14,000	~14,700 <sup>2</sup>
Water consumption (m3)	Not previously reported	~14,700 <sup>2</sup>

<sup>1</sup>2023 Environmental Metrics do not include Telerob or Tomahawk facilities. <sup>2</sup>2024 Water withdrawal and consumption metrics do not include Tomahawk facilities.

**TABLE 4.** Board of Directors Composition and Demographics

METRIC	2023 RESULTS	2024 RESULTS
Independent	6	7
Non-Independent	1	1
<b>BOARD OF DIRECTORS BY AGE</b>		
Under age 30	0	0
Between ages 30-50	0	0
Over age 50	7	8
<b>BOARD GENDER</b>		
Female	2	2
Male	5	6
<b>OTHER INDICATORS</b>		
Members of underrepresented racial/ethnic groups	1	1
Veteran	2	4

**TABLE 5.** Team Member Demographics

METRIC	2023 RESULTS	2024 RESULTS
Number of team members globally	1279	1428
<b>TEAM MEMBERS BY EMPLOYMENT CONTRACT</b>		
Percent Full-time Employees	99%	98%
Percent Part-time Employees	1%	2%
<b>GLOBAL WORKFORCE BY FUNCTION</b>		
Administrative	255	330
R&D and Engineering	408	534
Operations	548	490
Sales and Marketing	68	74

**TABLE 6.** Team Member Diversity

METRIC	2023 RESULTS	2024 RESULTS
<b>TEAM MEMBERS BY AGE, U.S. ONLY</b>		
Under age 30	161	205
Between ages 30-50	405	684
Over age 50	603	418
<b>TEAM MEMBER DIVERSITY, U.S. ONLY</b>		
Female	243	288
Male	926	1014
Not Disclosed	0	5
Veteran Status	Not previously reported	113

**TABLE 7.** Tenure

METRIC	2023 RESULTS	2024 RESULTS
<b>Board Member Tenure</b>		
0-5 years on Board	2	4
6-10 years on Board	5	1
11-15 years on board	0	3
<b>Global Workforce Tenure</b>		
0-2 years	29%	41%
2-5 years	42%	26%
6-10 years	11%	15%
11-15 years	10%	7%
16-20 years	6%	8%
20+ years	2%	3%

**TABLE 8.** U.S. Employee Turnover

METRIC	2023 RESULTS	2024 RESULTS
Global Turnover Rate	Not previously reported	21%
Employees hired	228	338
Employees terminated or retired	227	269

**TABLE 9.** Training and Development

METRIC	2023 RESULTS	2024 RESULTS
Percent of employees completed required annual trade compliance awareness training	98% as of June 2023	>99% as of May 2024
Security Awareness and Cleared and Uncleared Information (UCI) Training	Not previously reported	100% as of May 2024
Average hours of training per employee	Not previously reported	10.3

**TABLE 10.** Community Engagement

METRIC	2023 RESULTS	2024 RESULTS
Total financial contributions	Not Reported	\$49,000

