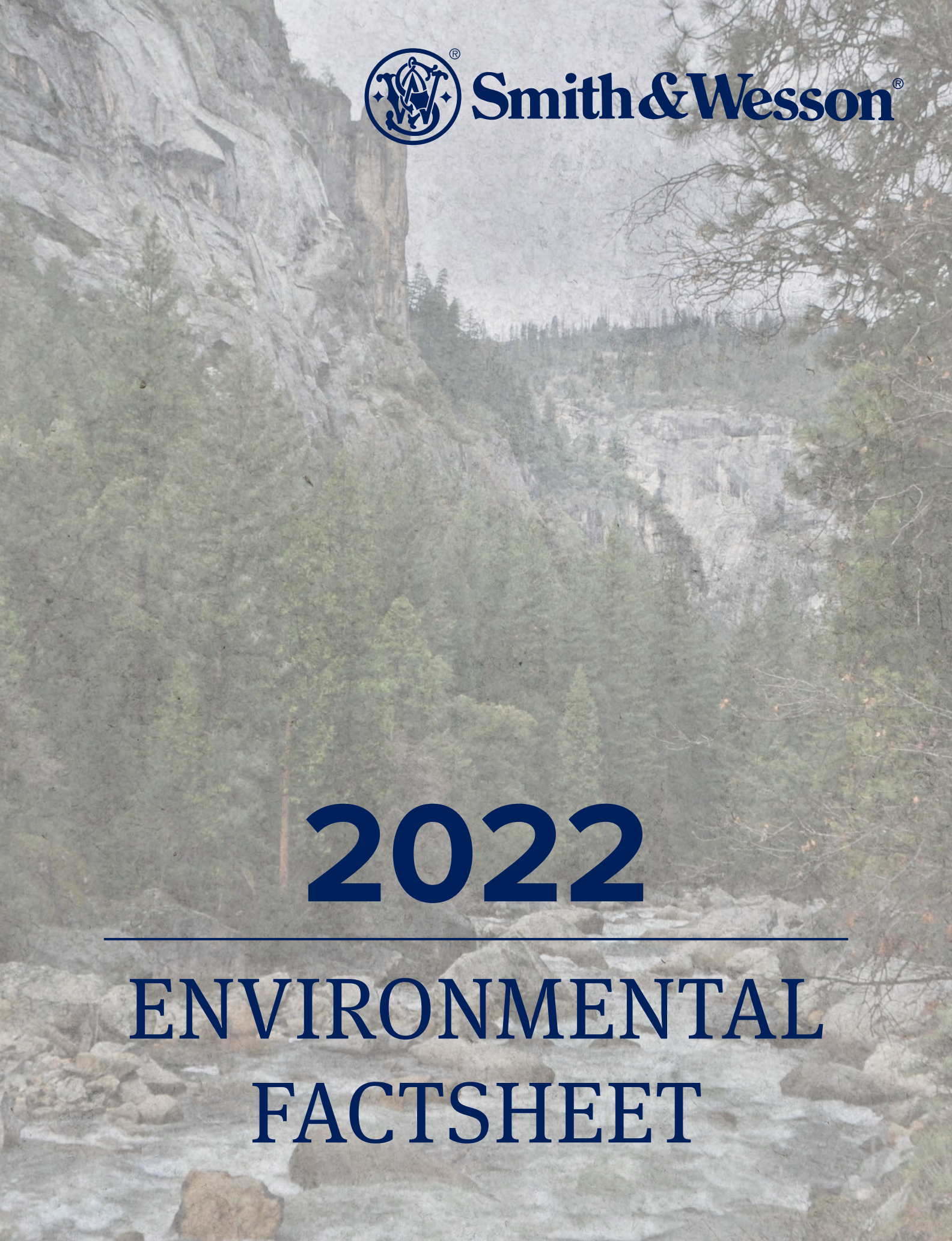

Smith & Wesson®

2022

ENVIRONMENTAL FACTSHEET

ABOUT THIS REPORT

The Smith & Wesson Brands, Inc. (Smith & Wesson) *2022 Environmental Factsheet* covers data and metrics spanning calendar years 2019, 2020, and 2021, unless otherwise noted, and includes all of our subsidiaries. This report was prepared in accordance with selected indicators of the Toys & Sporting Goods Sustainability Accounting Standard of the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD) framework.

Smith & Wesson is committed to transparent and consistent engagement with our stakeholders regarding our environmental strategies and programs. This *Environmental Factsheet* takes a materiality-based approach to disclosure.

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LETTER FROM OUR PRESIDENT AND CEO

"WE ARE PROUD OF OUR 170-YEAR HISTORY AS AN AMERICAN MANUFACTURER OF QUALITY PRODUCTS PROVIDING ALL AMERICANS WITH THE MEANS TO PROTECT THEMSELVES AND THEIR FAMILIES."

PRESIDENT AND CEO
MARK P. SMITH

FISCAL 2022 IN REVIEW

Fiscal 2022 was another year of incredibly strong performance for Smith & Wesson. We achieved our second highest top line with sales of $864.1 million and gross margin of 43.3% of sales, while generating significant cash and returning over $100 million in profits to our employees and our investors. During calendar 2021, the year covered by this report, we produced 21% more units than in the prior calendar year and significantly more than any other calendar year in company history.

This report represents our first update to our inaugural Environmental Factsheet that we began publishing in 2021. As with the original report, the goal of this update is to demonstrate our continuing commitment to the communities in which we operate and to society as a whole. To that end, we remain committed to reducing the waste we generate, recycling a significant portion of that waste, and utilizing our manufacturing and engineering expertise to produce high quality and sustainable products that last for generations.

Today, we operate four state-of-the-art facilities, where we manufacture and distribute our products: a 575,000 square-foot facility located in Springfield, Massachusetts; two facilities totaling 44,000 square-feet located in Houlton, Maine; a 150,000 square-foot facility located in Deep River, Connecticut; and a 633,000 square-foot distribution facility in Columbia, Missouri. We are now well on our way to building our new headquarters and operating and distribution plant in Maryville, Tennessee. This 610,000 square foot facility will be operational in the summer of 2023 and we are proud to say that this facility will be LEED certified,[1] and will reduce our operating footprint from four facilities to three – with Missouri and Connecticut facilities being eventually consolidated into the new Tennessee facility.

We are proud of our 170-year history as an American manufacturer of quality products providing all Americans with the means to protect themselves and their families.

We understand the importance of how we impact the environment and are committed to transparency regarding our efforts to reduce our environmental impact. In the following pages, we highlight the areas of our environmental profile that we believe are most important. I look forward to continuing our discussion as we navigate this process.

[1] Leadership in Energy and Environmental Design (LEED) is a green building certification program used worldwide. Developed by the non-profit U.S. Green Building Council (USGBC), it includes a set of rating systems for the design, construction, operation, and maintenance of green buildings, homes, and neighborhoods, which aims to help building owners and operators be environmentally responsible and use resources efficiently.

ABOUT THE COMPANY

EMPOWERING AMERICANS SINCE 1852

Since its founding in 1852, when Horace Smith and Daniel Baird Wesson made their dream of creating a repeating firearm using a self-contained cartridge a reality, Smith & Wesson has empowered Americans with freedom, equality, and security. Over the past 170 years, Smith & Wesson perfected the American sidearm and became one of the world's most respected brands.

We are pleased to share Smith & Wesson's updated *Environmental Factsheet*, which is representative of our effort to communicate transparently with our stakeholders and tells the story of how our people and company are taking action to deliver a better world. Our Board and leadership team recognize the heightened awareness and increased importance of sustainability. We are also aware of the additional emphasis our investors, local communities, and customers have placed on environmental performance. In the coming years, Smith & Wesson will remain vigilant in maintaining our rigorous environmental standards, advance our sustainability efforts, and focus on enhancing our environmental program.

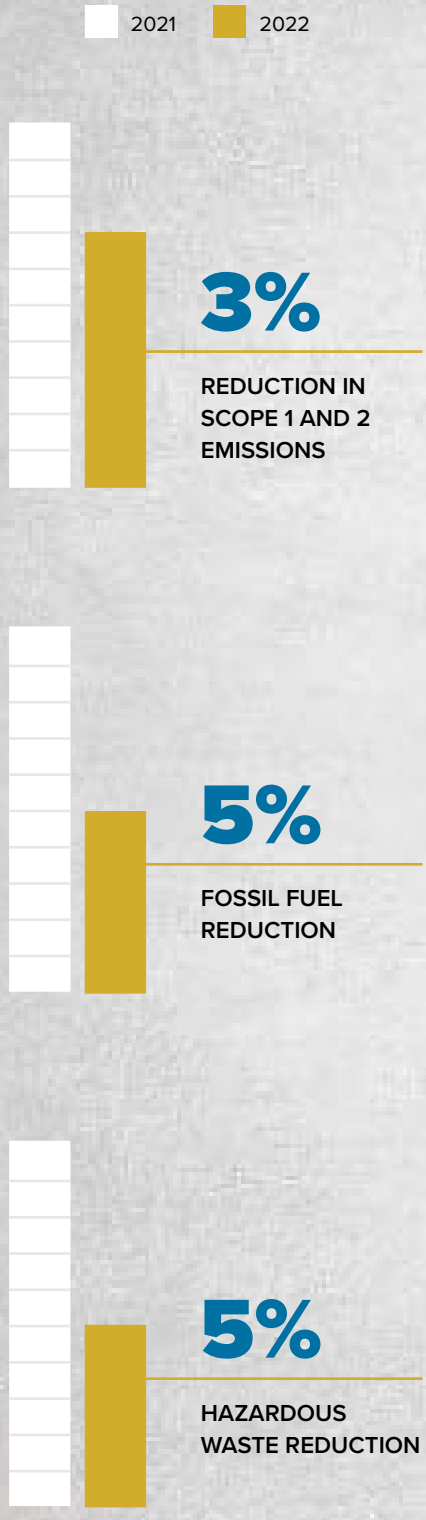
SMITH & WESSON'S MATERIALITY-BASED APPROACH

To prepare this *Environmental Factsheet*, Smith & Wesson completed a SASB and TCFD materiality assessment. As part of this work, we retained a third-party consultant to perform an independent assessment by examining those topics that would be most important to our key stakeholders, including the SASB and TCFD environmental standards and other environmental topics of interest. We then reviewed the recommended topics for inclusion.

This report focuses on those environmental topics that we believe are most important to our long-term performance, including: our environmental management program, our environmental responsibility, energy usage, wastes, and water, as well as key elements of TCFD including governance, strategy, risk management, and metrics. Our environmental priorities center on these elements and we look forward to providing more information in the pages that follow.

2021-2022
(YEAR-OVER-YEAR)

ENVIRONMENTAL IMPACT HIGHLIGHTS



ENVIRONMENTAL SUSTAINABILITY

Smith & Wesson is committed to responsible environmental practices that include minimizing the environmental impact of our operations, conservation of natural resources, pollution prevention, and the reduction of energy, water consumption, and waste. As environmental concerns become more prevalent, we recognize the opportunities and challenges increased regulations and standards present. Our *Environmental Sustainability* strategy is based on mitigation and prevention, including increasing environmental transparency for the benefit of all stakeholders.

Smith & Wesson's *Code of Conduct and Ethics*, *Corporate Stewardship Policy*, *Environmental, Health, and Safety Policy*, and *Supplier Code of Conduct* highlight our commitment to protecting the natural environment and our communities. Through our oversight programs and policies, we comply with all federal, state, and local laws and regulations.

ENVIRONMENTAL MANAGEMENT

Smith & Wesson's commitment to *Environmental Management* begins at the parent company level. Our commitment includes procedures for reducing the waste we send to landfills, purchasing environmentally responsible products, and reducing energy and water consumption, where it is commercially reasonable to do so.

Our Environmental Management System is managed by our Environmental & Safety Manager, who ensures that the system is implemented and maintained. Environmental data from all sites are collected by our Environmental Health & Safety (EH&S) staff at each site, consolidated by our Environmental & Safety Manager, and reported to our Director of Quality and EH&S. Our Corporate Stewardship Policy and Environmental, Health, and Safety Policy are available to all employees, customers, and suppliers on our website.

In 2021, our Board of Directors established an Environmental, Social, and Governance Committee of independent directors (the ESG Committee) to assist the Board and the various committees of the Board, as applicable, in fulfilling its oversight responsibilities for various environmental, social, health, safety, and governance policies and operational control matters relevant to the company. In addition to social and governance matters, the ESG Committee focuses on energy use, waste, water use, and climate change initiatives, such as greenhouse gases and pollution. In addition to the ESG Committee, in 2021, we established a management level ESG Committee to elevate the importance of these matters within the organization and provide direction on a day-to-day basis to our employees. The management level ESG Committee is made up of senior leadership personnel from relevant departments, such as Compliance, EH&S, Finance, Human Resources, Internal Audit, Legal, Operations, and Quality.

2020-2021 ENVIRONMENTAL PILLARS - PERCENT CHANGE

21.3% PRODUCTION INCREASE

1.4% ENERGY CONSUMPTION (GJ)*

3.7% WASTE GENERATION (LBS)

8.1% WATER CONSUMPTION (GAL)

3.4% EMISSIONS (MTON CO_2e)**

* Data from pg. 10 of *Environmental Factsheet*.

** Scope 1 and Scope 2 emissions.

ENERGY

Energy management, including our greenhouse gas (GHG) emission mitigation strategy, is considered part of our Company's core business responsibilities. Our sites follow a systematic approach to energy management that includes established procedures to ensure results, which are overseen by our Environmental & Safety Manager in concert with the Director of Quality and EH&S. The Environmental & Safety Manager is responsible for tracking, communicating progress, and transferring the knowledge gained through energy audits across the organization.

The majority of the energy consumption that we control comes from electricity. In 2021, we purchased 49,239,481 kilowatt hours (kWh) of electricity to operate our facilities, the great majority of which was used to operate our three production facilities. Despite a 21% increase in production, our investments in lighting, heating systems, insulation, and solar panels enabled us to achieve only a 6.7% increase in year-over-year electricity use. We endeavor to decrease our energy intensity each year, which both reduces our environmental impact and our cost to produce our products.

We also use highly efficient operational systems. We have LED lighting and sensors that shut off lights when areas of a facility are not in use. We use battery-powered material handling equipment to move merchandise within our facilities.

ENERGY % VOLUME / USAGE

↓10%
DECREASE IN RENEWABLE ENERGY CONSUMPTION

↓8%
FUEL OIL REDUCTION

WASTES

Smith & Wesson minimizes our environmental impact by reducing the waste we send to landfills through recycling, purchasing environmentally responsible products, and reducing energy and water consumption, where it is commercially reasonable to do so. Furthermore, we are committed to utilizing recycling collection bins for paper in our offices whenever possible and recycling toner cartridges and electronic equipment. As part of our onsite mixed recycling requirement, our sites set waste reduction goals and targets. Waste data is reported to our Environmental & Safety Manager and is aggregated at the parent company level. Since most of the products that we manufacture are shipped into distribution to other companies, the end consumers of our products have the ultimate responsibility for end-of-life products and recycling.

The waste we generate is one of our most important environmental impacts and we work hard to manage and reduce our waste footprint. We apply our knowledge of supply chain, automation strategies, product applications, and materials technologies to recommend optimal solutions that minimize waste and maximize productivity while addressing sustainability needs.

In 2021, our hazardous waste generation decreased from 374,686 (lb) to 354,356 (lb), a 5% decrease in spite of a 21% increase in units produced. Additionally, in spite of significant production increases, we continued to meet waste reduction targets/goals with significant improvements made with diverting wastes away from landfills. This is a positive indication that our efforts are working and that continued participation by all members of our company to reduce, reuse, compost, and recycle waste has become increasingly necessary as our operations expand.

WASTES % VOLUME / USAGE

↓1.5%
DECREASE IN WASTE DIVERTED FROM DISPOSAL

↑3.4%
RECYCLED WASTE

WATER

Although Smith & Wesson does not operate in any regions with high or extremely high baseline water stress, water management remains a priority as we strive to optimize our water use efficiency across our operations. We are committed to continuously improving our systems to reduce and reuse process water to help facilitate cost savings and lower our environmental impact. We also focus on treating the water we use in our manufacturing processes according to federal, state, and local regulations prior to discharge. We routinely work closely with our local water departments to ensure that we comply with regulations and to stay informed of any potential risks related to water scarcity. To date, none of our locations are subject to water scarcity restrictions. All locations utilize metered public potable water for operating and our Springfield facility also uses an unmetered private well for lawn irrigation purposes.

In 2021, our total water withdrawal increased by 8% from 45,707,912 gallons to 49,403,926 gallons, despite a 21% increase in production demands. Manufacturing operations account for our highest consumption of fresh water, followed by routine use in our offices and landscape irrigation around our properties. Our Facilities Management teams are responsible for water use management at our sites, with oversight from our EH&S team. Water-efficient products and internal policies account for our continued improvement in this area. We have also implemented a number of process-change projects that have had a positive effect on usage. Going forward, we will continue to monitor overall intake by reviewing both internal and external water sources and mitigating technology.

COMMITMENT TO THE ENVIRONMENT

Smith & Wesson recognizes that impact to the environment is a growing risk for our planet and we are committed to mitigating this risk by placing increased emphasis on environmental awareness. Historically, our tracking and progress reviews have been done internally across our various sites and within certain functions. As part of our increased focus on environmental sustainability, we have expanded this process to include senior management and the ESG Committee. The largest part of our Scope 1 and 2 emissions footprint is traceable to the power needs of our plants and is the area of greatest opportunity for potential reduction.

Smith & Wesson complies with all applicable legal and regulatory requirements to control and reduce emissions and energy usage in our operations. We are committed to making the necessary investments in systems and technology to ensure compliance and to meet or exceed these standards.

SCOPE 1 AND 2 EMISSIONS DOWN 3% DESPITE A 21% INCREASE IN PRODUCTION

IMPROVED OPERATIONAL EFFICIENCIES AND TECHNOLOGIES TO POSITION US TO ACHIEVE OUR ENVIRONMENTAL GOALS

ENVIRONMENTAL DATA TABLES

The following environmental data tables provide key quantitative data compiled in accordance with the SASB and TCFD frameworks and standards, along with additional details on our wastes, water, emissions, and energy. The data covers all operations, unless otherwise noted.

ENERGY	UNIT	2019	2020	2021
Natural Gas Usage	therms	925,740	909,649	841,513
Diesel Usage	gal	21,718	29,493	28,002
Fuel Oil Usage	gal	16,536	12,318	11,303
Gasoline Usage	gal	47,914	46,838	51,721
Other Fuel Usage (liquid propane)	gal	17,299	24,676	31,303
Electricity Usage	kWh	44,423,765	46,126,117	49,239,481
Renewable Electricity Consumption	kWh	2,549,647	2,651,302	2,378,209

GREENHOUSE GAS (GHG) EMISSIONS	UNIT	2019	2020	2021
Direct Scope 1 emissions*	metric tons CO_2e**	5,578	4,033	6,719
Indirect Scope 2 emissions	metric tons CO_2e**	12,684	15,147	11,817

* Includes both mobile and stationary sources.
** CO2, CH4, NO2, refrigerants

ENVIRONMENTAL DATA TABLES CONTINUED

WASTE	UNIT	2019	2020	2021
Waste generated	lbs	12,787,171	15,201,931	15,766,566
Hazardous	lbs	403,062	374,686	354,356
Non-hazardous	lbs	12,384,109	14,827,245	15,412,210
Waste diverted from disposal	lbs	9,631,752	11,695,827	11,867,333
Hazardous waste recycled, offsite	lbs	21,980	19,856	17,274
Non-hazardous waste recycled, offsite	lbs	9,609,772	11,675,971	11,850,059
Total weight of waste directed to disposal	lbs	3,155,813	3,506,322	3,899,233
Hazardous waste directed to disposal:	**lbs**	**381,082**	**354,830**	**337,082**
Incinerated (with energy recovery), offsite	lbs	37,658	43,891	38,218
Incinerated (without energy recovery), offsite	lbs	7,092	9,649	21,038
Landfilled, offsite	lbs	45,261	60,434	45,461
Other disposal operations, offsite	lbs	291,071	240,856	232,365
Non-hazardous waste directed to disposal:	**lbs**	**2,774,731**	**3,151,492**	**3,562,151**
Incinerated (with energy recovery), offsite	lbs	–	–	234,717
Incinerated (without energy recovery), offsite	lbs	248,278	302,142	–
Landfilled, offsite	lbs	1,651,785	1,938,427	2,061,741
Other disposal operations, offsite	lbs	874,668	910,923	1,265,693
TOTAL RECYCLE/REUSE	**lbs**	**9,669,410**	**11,739,718**	**12,140,268**

WATER	UNIT	2019	2020	2021
Water Consumption	gal	50,385,718	45,707,912	49,403,926
Water Discharge* **	gal	36,848,275	42,647,999	42,496,077

*** Treated waste water

SASB INDICATORS	UNIT	SASB Code	2020	2021
Number of Letters of Advice (LOA) received	number	CG-TS-250a.2	0	0
Number of manufacturing facilities	number	CG-TS-000.B	3	3

ENVIRONMENTAL DATA TABLES CONTINUED

TOPIC	DISCLOSURE	REFERENCE	NARRATIVE RESPONSE
 Governance	a) Describe the board's oversight of climate-related risks and opportunities.	Environment, Social, and Governance Charter Audit Committee Charter	The ESG Committee provides Board oversight of various environmental, social, health, safety, and governance policies and operational control matters relevant to the Company. The ESG Committee particularly focuses on those matters that do not come within the purview of other standing committees of the Board. In addition, the Audit Committee has ultimate responsibility for the risk management process. The Audit Committee reviews updates to the risk register.
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Risk Owners Council - Charter Environmental Management System Policy	The Risk Owners Council (ROC) is responsible for monitoring the risk environment for the Company and its subsidiaries and provides direction for the activities to mitigate, to an acceptable level, the risks that may adversely affect the Company's ability to achieve its goals. The ROC is responsible for ensuring continuous improvement in managing the Company's priority risks. In addition, the council supports the Board's efforts to monitor and evaluate the practices and policies that they use to govern the process by which risk assessment and management is undertaken. The ROC oversees the Smith & Wesson continuous Enterprise Risk Management (ERM) process. This process includes identification and prioritization of business risks. The individual members of ERM may have day-to-day responsibility for managing specific risks but report to the ROC. All Smith & Wesson sites have an environmental management system to ensure compliance with federal, state, and local laws and minimize negative environmental impacts.
 Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Please see Narrative Response	As a result of our risk management process described on the following page, Smith & Wesson has identified increased transitional ESG risks related to expected legal and regulatory requirements.

ENVIRONMENTAL DATA TABLES CONTINUED

TOPIC	DISCLOSURE	REFERENCE	NARRATIVE RESPONSE
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks. b) Describe the organization's processes for managing climate-related risks. c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Please see Narrative Response	Smith & Wesson's ERM process includes identification and prioritization of business risks, review of prior ERM work, including prior risk registers, development of a new risk register based on the current internal and external dynamics, and review of emerging risks from legal and regulatory changes related to climate change that could impact our business. The ERM process includes an evaluation of the effectiveness of risk mitigation activities to ensure gaps are addressed and ongoing work to improve ERM systems, processes, and organizational structure. Climate change risks are considered as part of our annual risk management process. They are included as part of a range of ESG risks when assessing the external environment.
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Please see Narrative Response	Smith & Wesson focuses on our environmental metrics when assessing climate-related risks and opportunities. In particular, we are focused on our energy usage and GHG emissions disclosed in this report.
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Please see Narrative Response	Scope 1: 6,719 metric tons of CO_2e Scope 2: 11,817 metric tons of CO_2e

FORWARD LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on our current expectations, beliefs, plans or forecasts and are typically identified by words or phrases such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “target,” “contemplate,” “project,” “predict,” “may,” “might,” “plan,” “will,” “would,” “should,” “could,” “may,” “can,” “potential,” “continue,” “objective,” or other words of similar meaning. A forward-looking statement is not a guarantee of future performance and we caution readers that actual results could differ materially from those contained in a forward-looking statement. Specific forward looking statements in this report include, among others, that (i) the facility in Maryville, TN will be operational in the summer of 2023, (ii) we are committed to transparency regarding our efforts to reduce our environmental impact, (iii) we will remain vigilant in maintaining our rigorous environmental standards, advance our sustainability efforts, and focus on enhancing our environmental program, (iv) we remain committed to reducing the waste we generate, recycling a significant portion of that waste, and utilizing our manufacturing and engineering expertise to produce high quality and sustainable products that last for generations, (v) we are committed to responsible environmental practices that include minimizing the environmental impact of our operations, conservation of natural resources, pollution prevention, and the reduction of energy, water consumption, and waste, (vi) we endeavor to decrease our energy intensity each year, (vii) we are committed to continuously improving our systems to reduce and reuse process water to help facilitate cost savings and lower our environmental impact, (viii) we will continue to monitor overall intake by reviewing both internal and external water sources and mitigating technology, (ix) we are committed to mitigating the impact to the environment by placing increased emphasis on environmental awareness, and (x) we are committed to making the necessary investments in systems and technology to ensure compliance and to meet or exceed these standards.


THANK YOU
Smith&Wesson