



Smith & Wesson

2021

**ENVIRONMENTAL
FACTSHEET**



ABOUT THIS REPORT

The Smith & Wesson Brands, Inc. (Smith & Wesson) 2021 *Environmental Factsheet* covers data and metrics spanning calendar 2019 and 2020, 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 is our inaugural *Environmental Factsheet*, which takes a materiality-based approach to disclosure.



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LETTER FROM OUR PRESIDENT AND CEO

FISCAL 2021 IN REVIEW

Fiscal 2021, which ended April 30, 2021, was a defining year in the history of our 169-year old company. Thanks to the hard work and perseverance of our dedicated employees, the Smith & Wesson team was able to generate record revenue and ship more than 2.6 million firearms to our customers.

Throughout our history, we've provided Americans the means to protect themselves and secure their families. This has empowered everyone across our great country to live the American lifestyle.

Today, we have over 2,000 employees at our 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.

As part of our commitment to our employees, customers, suppliers, investors, and the country as a whole, environmental awareness has been a long-standing priority at Smith & Wesson. 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.

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.



A handwritten signature in black ink, appearing to read "Mark P. Smith".

PRESIDENT AND CEO
MARK P. SMITH

**EMPOWERING
AMERICANS™**



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 169 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 first *Environmental Factsheet*, which marks a significant step forward in our effort to communicate more transparently 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.

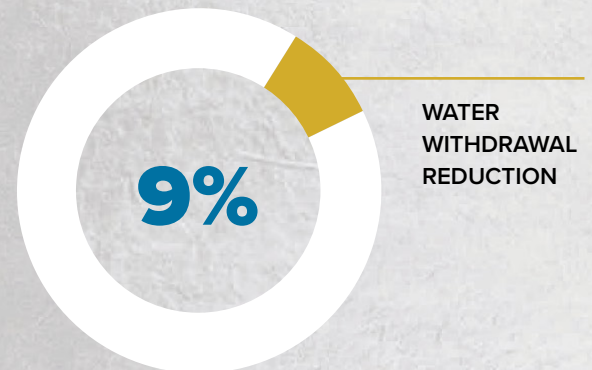
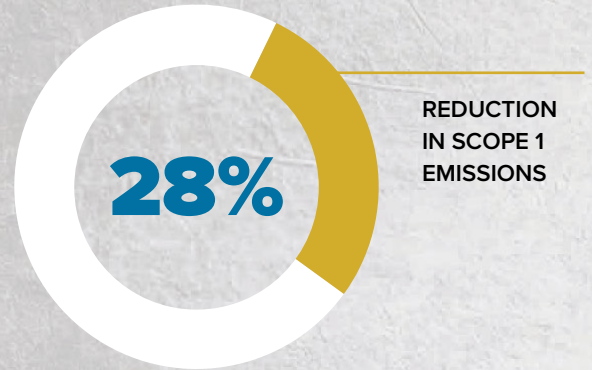
SMITH & WESSON'S MATERIALITY-BASED APPROACH

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.

2019-2020
(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](#), 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.



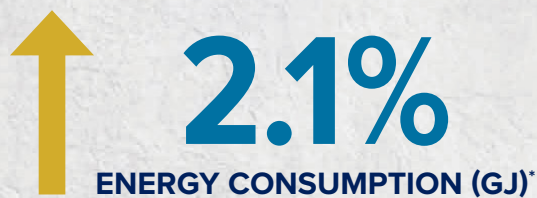
ENVIRONMENTAL MANAGEMENT

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 the 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 on 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.

2019-2020 ENVIRONMENTAL PILLARS - PERCENT CHANGE



* Data from pg. 10 of Factsheet

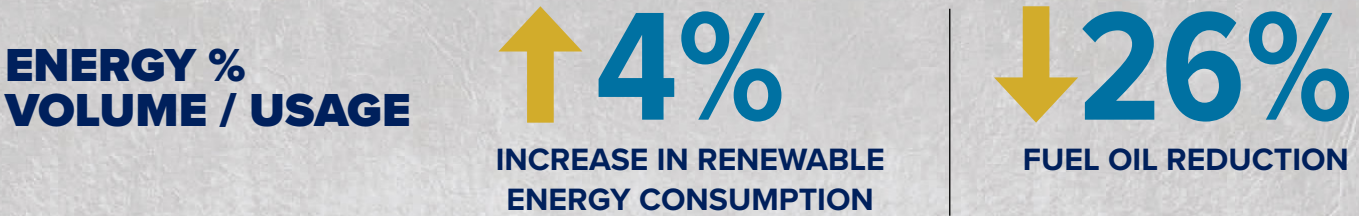
**Scope 1 and Scope 2 emissions

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 2020, we purchased 46,126,117 kilowatt hours (kWh) of electricity to operate our facilities, the great majority of which was used to operate our three production facilities. Despite a 48% increase in production, our investments in lighting, heating systems, insulation, and solar panels enabled us to reduce relative year-over-year electricity use. We endeavor to decrease our energy intensity year over year, which both reduces our environmental impact and our cost to produce our products. In 2020, we increased our renewable electricity consumption while decreasing fuel oil and gasoline consumption.

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.



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 2020, our hazardous waste generation decreased from 403,062 (lb) to 374,686 (lb), a 7% decrease in spite of a 48% 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.





WATER

Although Smith & Wesson's operations are not high-volume water consumers, 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 reuse and recycle these effluents to help facilitate lower costs and lower environmental and reputational risk. We also focus on treating the water we use in our manufacturing processes according to local regulations prior to discharge.

In 2020, our total water withdrawal decreased by 9% from 50,385,718 gallons to 45,707,912 gallons, despite significantly increased 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.

**KEPT SCOPE 1 AND 2
EMISSIONS NEARLY FLAT
DESPITE A 48% 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
Natural Gas Usage	therms	925,740	909,649
Diesel Usage	gal	21,718	29,493
Fuel Oil Usage	gal	16,536	12,318
Gasoline Usage	gal	47,914	46,838
Other Fuel Usage (liquid propane)	gal	17,299	24,676
Electricity Usage	kWh	44,423,765	46,126,117
Renewable Electricity Consumption	kWh	2,549,647	2,651,301

GREENHOUSE GAS (GHG) EMISSIONS	UNIT	2019	2020
Direct Scope 1 emissions*	metric tons CO ₂ e**	5,578	4,033
Indirect Scope 2 emissions	metric tons CO ₂ e**	12,684	15,147

* Includes both mobile and stationary sources

** CO₂, CH₄, NO₂, refrigerants

ENVIRONMENTAL DATA TABLES CONTINUED



WASTE	UNIT	2019	2020
Waste generated	lbs	12,787,171	15,201,931
Hazardous	lbs	403,062	374,686
Non-hazardous	lbs	12,384,109	14,827,245
Waste diverted from disposal	lbs	9,631,752	11,695,827
Hazardous waste recycled, offsite	lbs	21,980	19,856
Non-hazardous waste recycled, offsite	lbs	9,609,772	11,675,971
Total weight of waste directed to disposal	lbs	3,155,813	3,506,322
Hazardous waste directed to disposal:			
Incinerated (with energy recovery), offsite	lbs	37,658	43,891
Incinerated (without energy recovery), offsite	lbs	7,092	9,649
Landfilled, offsite	lbs	45,261	60,434
Other disposal operations, offsite	lbs	291,071	240,856
Non-hazardous waste directed to disposal:	lbs	2,774,731	3,151,492
Incinerated (without energy recovery), offsite	lbs	248,278	302,142
Landfilled, offsite	lbs	1,651,785	1,938,427
Other disposal operations, offsite	lbs	874,668	910,923

WATER	UNIT	2019	2020
Water Withdrawal	gal	50,385,718	45,707,912
Water Discharge***	gal	36,848,275	42,647,999



*** Treated waste water

SASB INDICATORS	UNIT	SASB Code	2020
Number of Letters of Advice (LOA) received	number	CG-TS-250a.2	0
Number of manufacturing facilities	number	CG-TS-000.B	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	<p>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.</p> <p>In addition, the Audit Committee has ultimate responsibility for the risk management process. The Audit Committee reviews updates to the risk register.</p>
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Risk Owners Council - Charter Environmental Management System Policy	<p>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.</p> <p>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.</p> <p>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.</p> <p>All Smith & Wesson sites have an environmental management system to ensure compliance with federal, state, and local laws and minimize negative environmental impacts.</p>
 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.	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.
	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.		
 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: 4,033 metric tons of CO ₂ e Scope 2: 15,147 metric tons of CO ₂ e

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) 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, (ii) we endeavor to decrease our energy intensity year over year, (iii) we are committed to continuously improving our systems to reuse and recycle effluents to help facilitate lower costs and lower environmental and reputational risk, (iv) we will continue to monitor overall intake by reviewing both internal and external water sources and mitigating technology, (v) we are committed to mitigating climate change risk by placing increased emphasis on environmental awareness and (vi) we are committed to making the necessary investments in systems and technology to ensure compliance and to meet or exceed these standards.

Our business is subject to a number of risks that may affect forward-looking statements and a number of factors could cause our actual results to differ materially from those indicated by forward-looking statements. Such risks and factors are more particularly described in our filings with the Securities and Exchange Commission, including in Item 1A “Risk Factors” in our most recent annual report on Form 10-K. The information contained in this report speaks as of the date hereof and, except as required by law, we undertake no obligation to update forward-looking statements, whether as a result of new information, future events or otherwise.

Be Ye People



THANK YOU

 **Smith & Wesson**