



**Smith & Wesson**

**2023**

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**ENVIRONMENTAL  
FACTSHEET**





The Smith & Wesson Brands, Inc. (Smith & Wesson) *2023 Environmental Factsheet* covers data and metrics spanning calendar years 2020, 2021, and 2022 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



**“OUR SUCCESS FOR ALMOST TWO CENTURIES HAS BEEN DUE TO OUR CULTURE, WHICH STEMS FROM THE PASSION THAT OUR EMPLOYEES HAVE FOR OUR COMPANY, THE 2ND AMENDMENT, AND THIS COUNTRY.”**

**PRESIDENT AND CEO  
MARK P. SMITH**

## FISCAL 2023 IN REVIEW

Fiscal 2023 highlighted the benefits of Smith & Wesson’s flexible business model that is designed to deliver in any business environment. After nearly two years of record demand, the firearm market returned to more normal demand levels. While the market remained healthy, these normalizing trends generated headwinds early in the fiscal year from channel inventory corrections. Despite this, we generated \$477.8 million in revenue. Thanks to our flexible manufacturing model, disciplined cost control, and a steady commitment to long-term profitability rather than short-term results, we also delivered 19.9% EBITDAS margin and net income that was 33.3% higher than fiscal 2020, the last comparable pre-surge year. During the calendar year, the year covered by this report, we reduced our production volume by 47% from the prior calendar year while still generating impressive profitability.

Throughout 2022, our incredible team also worked to build a 644,000 square foot LEED certified<sup>1</sup> facility in Maryville, Tennessee, while planning the hiring, relocation, and transition of hundreds of employees. This state-of-the-art facility, which began its first shipments in August 2023, will not only house our distribution, assembly, and plastic injection molding operations but will also become the headquarters from which we manage our entire business. In addition to this new facility, we continue to manufacture our products in a 575,000 square foot facility

located in Springfield, Massachusetts, two facilities totaling 44,000 square feet located in Houlton, Maine, and a 150,000 square foot facility located in Deep River, Connecticut.

As I noted during our grand opening event in Tennessee, Smith & Wesson has become an integral part of the American fabric over the past 170 years. Our success for almost two centuries has been due to our culture, which stems from the passion that our employees have for our company, the 2nd Amendment, and this country. In order for Smith & Wesson to remain successful for the next 170 years, as a company, we must remain committed to our employees and to the communities in which we operate.

To that end, we will continue to focus on utilizing our manufacturing and engineering expertise to produce high quality and sustainable products that last for generations, and fully complying with all regulations — federal, state, and local.

In the following pages, we highlight the areas of our environmental profile that we believe are most important.

<sup>1</sup> 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 in full compliance with all regulations.

## SMITH & WESSON'S MATERIALITY-BASED APPROACH

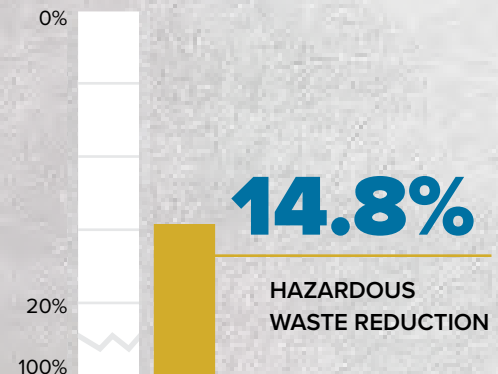
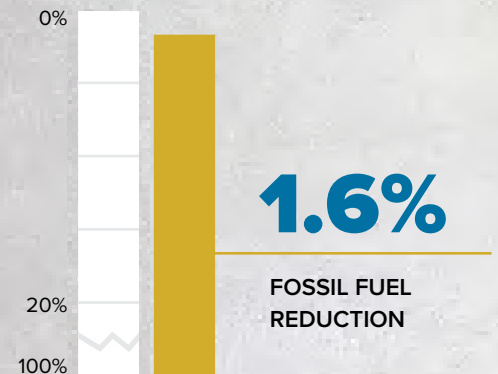
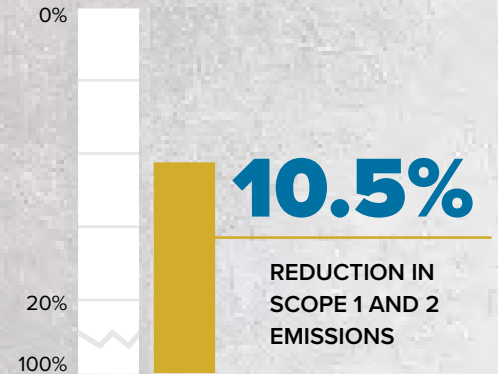
To prepare this *Environmental Factsheet*, Smith & Wesson completed a SASB and TCFD materiality assessment. As part of this work, we retained a third-party consultant to perform an independent assessment by examining those topics that would be most important to our key stakeholders, including the SASB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

CY 2021–2022  
(YEAR-OVER-YEAR)

## ENVIRONMENTAL IMPACT HIGHLIGHTS

CY 2021 CY 2022





# ENVIRONMENTAL SUSTAINABILITY

Smith & Wesson is committed to responsible environmental practices in full compliance with all federal, state, and local regulations. 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 Environmental Management program covers the parent company and all subsidiaries.

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 reviews on energy use, waste, water use, and business compliance with regulations. 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.

## 2021–2022 ENVIRONMENTAL METRICS - PERCENT CHANGE

↓  
**8.1%**  
ENERGY CONSUMPTION (GJ)\*

↓  
**22.3%**  
WASTE GENERATION (LBS)

↓  
**9.5%**  
WATER CONSUMPTION (GAL)

↓  
**10.5%**  
EMISSIONS (MTON CO<sub>2</sub>e)\*\*

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

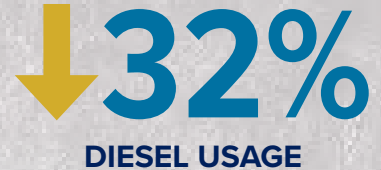
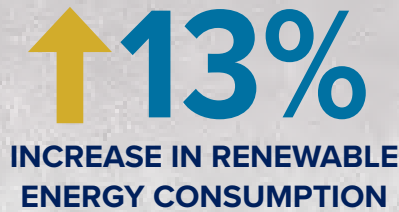
\*\* Scope 1 and Scope 2 emissions.

# 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.

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



# 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 2022, our hazardous waste generation decreased from 473,536 (lb) to 403,373 (lb), a 15% decrease. Additionally, 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







## WATER

Although Smith & Wesson does not operate in any regions with high or extremely high baseline water stress, water management remains important as we strive to optimize our water use efficiency across our operations. 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 2022, our total water withdrawal decreased by 9.5% from 49,403,926 gallons to 44,707,617 gallons. 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, which serves to minimize our impact and lower the cost of our products. 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 continuing to meet or exceed all applicable regulatory requirements. 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, as well as lowered production costs.

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 10.5%**

**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	2022
Natural Gas Usage	therms	925,740	909,649	940,034	940,921
Diesel Usage	gal	21,718	29,493	28,002	19,158
Fuel Oil Usage	gal	16,536	12,318	11,303	13,641
Gasoline Usage	gal	47,914	46,838	51,721	45,572
Other Fuel Usage (liquid propane)	gal	17,299	24,676	31,303	29,485
Electricity Usage	kWh	44,423,765	46,126,117	49,239,481	42,709,100
Renewable Electricity Consumption	kWh	2,549,647	2,651,302	2,378,209	2,684,168

GREENHOUSE GAS (GHG) EMISSIONS	UNIT	2019	2020	2021	2022
Direct Scope 1 emissions*	metric tons CO <sub>2</sub> e**	5,578	4,033	6,628	5,901
Indirect Scope 2 emissions	metric tons CO <sub>2</sub> e**	12,684	15,147	11,817	10,602

\* Includes both mobile and stationary sources.

\*\* CO<sub>2</sub>, CH<sub>4</sub>, NO<sub>2</sub>, refrigerants



## ENVIRONMENTAL DATA TABLES CONTINUED

WASTE	UNIT	2019	2020	2021	2022
<b>Waste generated</b>	lbs	12,787,171	15,201,931	15,779,057	12,266,734
Hazardous	lbs	403,062	374,686	473,536	403,373
Non-hazardous	lbs	12,384,109	14,827,245	15,305,521	11,863,361
<b>Waste diverted from disposal</b>	lbs	9,609,772	11,675,971	11,743,370	8,632,464
Hazardous waste recycled, offsite	lbs	–	–	–	–
Non-hazardous waste recycled, offsite	lbs	9,609,772	11,675,971	11,743,370	8,632,464
<b>Total weight of waste directed to disposal</b>	lbs	3,155,813	3,506,322	3,899,233	3,655,008
<b>Hazardous waste directed to disposal:</b>	lbs	<b>381,082</b>	<b>354,830</b>	<b>337,082</b>	<b>403,373</b>
Incinerated (with energy recovery), offsite	lbs	37,658	43,891	38,218	40,059
Incinerated (without energy recovery), offsite	lbs	7,092	9,649	21,038	15,540
Landfilled, offsite	lbs	45,261	60,434	45,461	26,577
Other disposal operations, offsite	lbs	291,071	240,856	232,365	321,197
<b>Non-hazardous waste directed to disposal:</b>	lbs	<b>2,774,731</b>	<b>3,151,492</b>	<b>3,562,151</b>	<b>3,251,635</b>
Incinerated (with energy recovery), offsite	lbs	–	–	234,717	162,334
Incinerated (without energy recovery), offsite	lbs	248,278	302,142	–	–
Landfilled, offsite	lbs	1,651,785	1,938,427	2,061,741	1,766,074
Other disposal operations, offsite	lbs	874,668	910,923	1,265,693	1,323,227
<b>TOTAL RECYCLE/REUSE</b>	lbs	<b>9,647,430</b>	<b>11,719,862</b>	<b>12,016,305</b>	<b>8,834,857</b>



WATER	UNIT	2019	2020	2021	2022
<b>Water Consumption</b>	gal	50,385,718	45,707,912	49,403,926	44,707,617
<b>Water Discharge***</b>	gal	36,848,275	42,647,999	42,496,077	36,646,024
<b>Water Withdrawal From High Water Stress Areas</b>	gal	0	0	0	0

\*\*\* Treated waste water



SASB INDICATORS	UNIT	SASB Code	2020	2021	2022
<b>Number of Letters of Advice (LOA) received</b>	number	CG-TS-250a.2	0	0	0
<b>Number of manufacturing facilities</b>	number	CG-TS-000.B	3	3	3



# ENVIRONMENTAL DATA TABLES CONTINUED

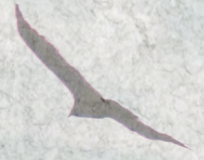
TOPIC	DISCLOSURE	REFERENCE	NARRATIVE RESPONSE
	a) Describe the board's oversight of climate-related risks and opportunities.	Environment, Social, and Governance Charter Audit Committee Charter	<p>The ESG Committee provides Board oversight of various environmental, social, health, safety, and governance 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>Governance</b>	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 &amp; Wesson continuous Enterprise Risk Management (ERM) process. This process includes identification and prioritization of business risks. Individual employees may have day-to-day responsibility for managing specific risks but report to the ROC.</p> <p>All Smith &amp; Wesson sites have an environmental management system to ensure compliance with federal, state, and local laws and minimize negative environmental impacts.</p>
 <b>Strategy</b>	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
 <p><b>Risk Management</b></p>	<ul style="list-style-type: none"> <li>a) Describe the organization's processes for identifying and assessing climate-related risks.</li> <li>b) Describe the organization's processes for managing climate-related risks.</li> <li>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</li> </ul>	<p>Please see Narrative Response</p>	<p>Smith &amp; 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.</p>
 <p><b>Metrics and Targets</b></p>	<ul style="list-style-type: none"> <li>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</li> <li>b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</li> </ul>	<p>Please see Narrative Response</p>	<p>Smith &amp; 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.</p> <p>Scope 1: 5,901 metric tons of CO<sub>2</sub>e            Scope 2: 10,602 metric tons of CO<sub>2</sub>e</p>



# 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 are committed to transparent and consistent engagement with our stakeholders regarding our environmental strategies and programs; (ii) we will continue to focus on utilizing our manufacturing and engineering expertise to produce high quality and sustainable products that last for generations, and fully complying with all regulations — federal, state, and local; (iii) in the coming years, we will remain vigilant in maintaining our rigorous environmental standards in full compliance with all regulations; (iv) we are committed to responsible environmental practices in full compliance with all federal, state, and local regulations; (v) we are committed to utilizing recycling collection bins for paper in our offices whenever possible and recycling toner cartridges and electronic equipment; (vi) going forward, we will continue to monitor overall intake by reviewing both internal and external water sources and mitigating technology; (vii) we are committed to mitigating impacts to the environment by continuing to meet or exceed all applicable regulatory requirements; and (viii) we are committed to making the necessary investments in systems and technology to ensure compliance and to meet or exceed legal and regulatory standards.





**THANK YOU**

 **Smith & Wesson**