



Brand Lanes

ADVENTURER



The ADVENTURER is at home when they are away. Whether it is conquering a mountain, navigating the open ocean, trekking through a valley or taking on any other outdoor escapade, the Adventurer's thrill is their comfort zone. It is more than a connection with the outdoors, it is about being a part of it.

HARVESTER



To the HARVESTER, it's not a job. It's not about mounting a trophy. It's a passion that lives within to create, to grow, to conserve and to ensure that the hunger to hunt and experience the most inaccessible terrain is passed down for future generations. Being a Harvester is not about taking, it's about giving back.

MARKSMAN



A MARKSMAN is a shooter, from the beginner to the skilled competitor. Whether at the workbench, in the workshop, in the field or on the range; and no matter the choice of handgun, rifle, shotgun or archery: a Marksman's success is measured in hours of trigger time, the smell of burnt powder, and bullseyes.

DEFENDER



For the DEFENDER, security is above all else. It starts with the peace of mind that comes with confidently knowing your belongings are safe, and becomes complete with determination to train and prepare yourself for life's biggest adversaries. The Defender protects – it makes up the fabric of their DNA.

* Licensed brands



About

American Outdoor Brands, Inc. (AOB) is a growth-oriented provider of outdoor products & accessories, including hunting, fishing, camping, shooting, outdoor cooking, and personal security and defense products, for rugged outdoor enthusiasts. We focus on the establishment of product categories in which we believe our brands will resonate strongly with the activities and passions of consumers and enable us to capture an increasing share of our overall addressable markets. We develop and market our products at our facility in Columbia, Missouri. We became an independent publicly traded company on August 24, 2020, when our common stock began trading under the ticker symbol “AOUT” on the NASDAQ Global Select Market.

We know that making a difference through environmental, social and governance (ESG) initiatives is a team effort. We’re leveraging our position as a leading provider of outdoor products & accessories to advance sustainability

in our business through three key areas: our commitment to the environment, our social impact, and our culture of governance. We also believe that the effective management of environmental, social, and governance issues will help support the sustainable long-term growth of our business, and create value for our stakeholders. Therefore, we strive to integrate ESG principles into our business strategy in ways that optimize opportunities to make positive impacts while advancing our long-term goals.

In fiscal 2023, we made significant strides in aligning our sustainability strategy with the growth and evolution of our business. This Report provides an overview of these sustainability initiatives, as well as updates on our 10 primary ESG tenets and our achievements. To support clear communication, we have engaged in robust data gathering and reporting using the investor-focused disclosure standards developed by the Sustainability

Accounting Standards Board (SASB) and United Nations Sustainable Development Goals (SDGs). Working with investor stakeholders, SASB has developed a standardized disclosure on the industry specific issues most important to investors, while the Sustainable Development Goals are a collection of 17 interlinked global goals designed to be a blueprint to achieve a better future for all.

In the pages that follow, we provide a comprehensive view of our achievements and progress over the past year. To address the diverse interests of our stakeholders, we have brought together a detailed overview of our ESG activities and data. Our approach to sustainability is a strategic imperative for us. This report marks a step forward in our sustainability journey and demonstrates our commitment to regularly communicating our ESG priorities and progress.

This report contains forward-looking statements, including our commitments, targets, and other statements that are not historical facts. These statements are subject to risks and uncertainties and are not guarantees of future performance. Factors that could cause actual results to differ materially from those expressed or implied by such statements are set forth in our SEC filings. All forward-looking statements are based on management’s current assumptions, estimates, and projections.



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Introduction

We are pleased to share our commitments, progress to date, and aspirations on topics that matter most to our company and stakeholders. In preparing this report, we have referenced established ESG reporting frameworks, standards, and recommendations such as [Sustainability Accounting Standards Board \(SASB\)](#) and the [U.N. Sustainable Development Goals \(SDGs\)](#) frameworks.

To inform our reporting, we take a materiality-based, stakeholder driven approach to sustainability. In preparation for our 2023 Sustainability Report, we retained a third party to update our materiality assessment. The results of this assessment were mapped to our priority focus areas. The details, results, and mapping of this assessment are described on the following pages. The Report covers our office locations under our operational control. Data spanning a two-year period has been provided where available; however, some metrics are newly added and may not incorporate data from prior years.

OUR ESG PILLARS



Our Commitment to the Environment

Energy Management & Usage
Supply Chain Management



Our Social Impact

Employee Engagement
Diversity, Equity & Inclusion
Our Community
Product Safety
Development & Retention



Our Culture of Governance

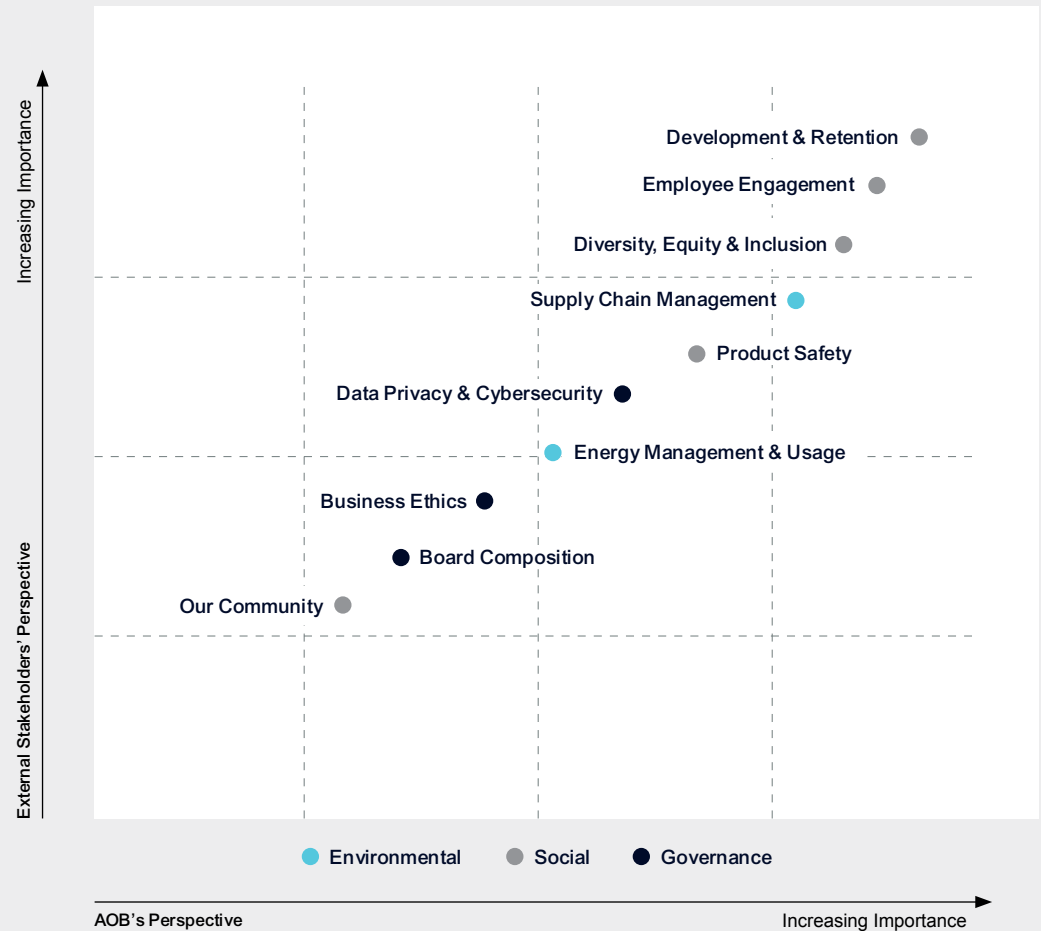
Business Ethics
Board Composition
Data Privacy & Cybersecurity

In 2022, we established an ESG working group, which is now called our sustainability working group, to lead our strategy and monitor our corporate social responsibility and environmental sustainability initiatives. This internal working group is led by a cross-functional team of leaders representing Communications, Facilities, Finance, IT, Human Resources, Investor Relations, and Legal functions. Against this backdrop, we have, with the assistance of outside expertise, performed an assessment of key indicators and engaged with our internal and external stakeholders on ESG topics to help further inform our future direction and priorities. The tenets of our strategy include board composition; business ethics; data privacy and cybersecurity; diversity, equity, and inclusion; employee engagement; energy management and usage; management and retention; our community; product safety; and supply chain management.

In fiscal 2023, we enhanced our sustainability strategy to align with the growth and evolution of our business. Our Board created an ESG Committee, with overall responsibility for the oversight and effective operation of our ESG strategy. In 2023, the Board expanded the scope of and renamed the “ESG Committee” to the “Sustainability Committee” to better reflect the committee’s enhanced oversight of sustainability policies, practices and goals including climate change, cybersecurity, DE&I and human capital. Our senior leadership team is tasked with driving results in these areas given the strategic importance of sustainability.

In 2023, we also continued to build on our strong foundation, accelerating the positive impact on our stakeholders through education and awareness of our sustainability strategy. With a strong foundation and clear direction, we are moving forward intently in fiscal year 2024 with new programs, policies, and initiatives designed to advance our long-term sustainability goals.

ESG TENETS



The materiality matrix in this report shows the relative weight of different topics from two perspectives. The X axis shows how important we believe an issue is considered by the industry, while the Y axis, informed by our assessment, shows the topic's importance to external stakeholders. We then conducted a deeper analysis to prioritize these issues starting with an assessment of a selection of highly rated ESG industry peers and also examined the methodologies of leading ESG investor raters and institutional investors. We reviewed their strategic selection of material ESG topics for inclusion in their sustainability disclosure, rating methodologies, investment decision-making, goal setting and strategy. From this research, we calculated an overall materiality score for each ESG topic to help focus our strategy and disclosures. Using this quantitative model, we identified the 10 highest scoring topics as most material to our business.



“In fiscal 2023, we expanded on our commitment to build **long-term economic value** for our stakeholders while working to create a better world for our customers, employees, and communities.”

Dear Stakeholders,

I am pleased to share our second global Sustainability Report. In fiscal 2023, we expanded on our commitment to build long-term economic value for our stakeholders while working to create a better world for our customers, employees, and communities.

We live in a world where the parameters of good corporate governance are continually evolving. In the face of rapidly changing market and regulatory pressures, as well as increasing stakeholder expectations, we continued to advance sustainability as an integrated part of our overall business strategy. The establishment of our Sustainability Committee, with its expanded scope and responsibilities, underscores our dedication to addressing climate change, cybersecurity, diversity, equity, and inclusion, as well as human capital. Fostering an inclusive, diverse culture that harnesses our employees' individual and unique talents, experience, spirit, and passion is essential to our future success.

We marked a number of achievements that helped strengthen our business while supporting our sustainability initiatives. First, we excelled at innovation, introducing several breakthrough products that, we believe, have the ability to redefine certain activities within the outdoor industry. For instance, our new Caldwell Claymore clay thrower operates mechanically, eliminating the need for a battery; and our BUBBA Pro SFS fish weight scale and accompanying mobile app enhances 'catch-weigh-release' fishing competitions, potentially reducing fish mortality rates. Second, we completed important operational developments across our organization that demonstrate our commitment to operational excellence and preparation for future expansion. Specifically, we consolidated our Oregon and Michigan facilities into our Missouri facility, reducing our geographic footprint while securing additional distribution space to allow for future growth. We also launched a new Enterprise Resource Planning (ERP) system and analytics platform that links our strategy with our operations, enhancing our efficiency and resource optimization.

We are proud of the progress we made in fiscal 2023 on our sustainability journey. We seek to transparently communicate through our Sustainability Report how we view, prioritize, and approach the topics most relevant to our business. In the coming years, we intend to remain vigilant in our objective to enhance our sustainability efforts, maintain rigorous ESG standards, and continue to maintain an unwavering focus on implementing a best-in-class program.



BRIAN D. MURPHY
President,
Chief Executive Officer

FY23 At-A-Glance

+14.2%
NET SALES
VS. FY20

\$30.7M
OPERATING
CASH FLOW



+60.6%
E-COMMERCE
NET SALES
VS. FY20

25.5%
NEW PRODUCT
NET SALES



46.1%
GROSS MARGIN

2.8%
OUTSTANDING
SHARES
REPURCHASED

Our Commitment to the Environment

ENERGY MANAGEMENT & USAGE 8

SUPPLY CHAIN MANAGEMENT 10





Energy Management & Usage

We believe that our focus on environmental sustainability, with the objective of reducing costs and improving sustainability of our operations will provide a strategic benefit. We continue to advance plans to create further efficiencies in our operations and reduce our emissions. Across our global portfolio, we seek to maintain collaborative, innovative, low-emission, and energy-efficient working environments.

As climate change concerns become more prevalent, we recognize the need to comply with increased regulations and stricter environmental standards. As we build out our carbon roadmap, we will continue to evaluate our climate-related risks and opportunities. Having started to think through our climate risks, we are currently evaluating our risks and opportunities. In addition, we are beginning to assess pending regulatory requirements including disclosure of our physical and transition risks, as well as opportunities, such as:

**WHAT TRANSITION RISKS MAY EMERGE
AND WHAT MAY OCCUR AS A RESULT OF A
TRANSITION TO A LOW-CARBON ECONOMY**

**ACUTE RISKS SUCH AS NATURAL DISASTERS
AND LONGER TERM RISKS SUCH AS CLIMATE**

**OPPORTUNITIES RELATED TO
POTENTIAL EFFORTS TO MITIGATE
AND ADAPT TO CLIMATE CHANGE**

We comply 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. We are continuously exploring innovative ways to boost efficiency and minimize our environmental impact. We believe that focusing on the environment, with the objective of reducing costs and improving sustainability of our operations, will provide a strategic benefit. In the future we will seek to engage with suppliers throughout our global value chain to measure and manage these impacts—to the best of our individual and collective abilities—in order to conserve resources, reduce costs, and promote ethical practices.

ENVIRONMENTAL SUSTAINABILITY EFFORTS AND ACCOMPLISHMENTS:

MIGRATING

technology infrastructure to cloud and virtualized environments, reducing energy usage, and accordingly, our carbon footprint.

UNITING

to reduce our consumption of natural resources which in turn mitigates the strain we place on the power grid.

INVESTING

in technological advancements focused on our service offerings in order to increase efficiencies, lower our operating costs, optimize capital expenditures, and add value for our customers.

RESEARCHING

and designing innovative ways to boost efficiency, such as utilizing high-efficiency electrical equipment including LED and motion detector lighting, and high-efficiency HVAC units.

INCREASING

the use of e-records and e-signing technology resulting in paper waste and carbon emissions reduction.

PROTECTING

biodiversity at our sites and in surrounding habitats.

ENCOURAGING

environmentally friendly workplace practices by supporting the recycling and separation of waste throughout our facilities.



Supply Chain Management

As we work to reduce our own environmental footprint, we are also realizing sustainability opportunities in our supply chain. We are committed to working with suppliers who support our sustainability initiatives. We believe that managing a responsible supply chain includes a proactive approach to risk assessment and due diligence. We believe that a focus on supply chain is fundamental and integral to the work we do every day to serve our customers, create value for our stockholders, and benefit our global community.

The sustainability of operations, products, supply chains, and projects are central to sustained value creation. We are committed to creating environmental awareness with our employees and other partners, and engaging them to reduce consumption of natural resources; preserve air, soil, and water quality; manage waste properly and encourage reuse or recycling; reduce use of toxic substances; and apply an ethical approach to source reduction and disposal efforts.

Prior to conducting business, we ask our suppliers, and their contractors, to review our policies, which are posted on our website to ensure compliance. Suppliers are expected to abide by our [Global Supplier Code of Conduct](#). These standards include our expectations for supporting our sustainability mission, including business conduct, environmental awareness, social responsibility, fair labor, and a safe workplace.

Senior leaders from across the company are responsible for identifying and managing risks and opportunities associated with our supply chain. We require that vendors provide only products that comply with applicable laws, including those related to environmental protection and product safety, and we will not knowingly purchase products made in violation of established environmental or consumer product safety requirements. Additionally, we maintain a large supply chain with a broad network of suppliers to give us flexibility in the event that any of our individual suppliers do not meet our standards.

We are committed to honoring our supplier contracts and paying for orders already produced or in production, as we place great value on the relationships we have with our supplier partners, including the workers. Notably, we demand:

**SAFE AND HEALTHY WORKING ENVIRONMENTS,
INCLUDING ACCESS TO CLEAN WATER**

NO FORCED LABOR

**RESPECTING HUMAN RIGHTS FOR ALL WORKERS IN OUR SUPPLY CHAIN—SPECIFICALLY
AT-RISK GROUPS SUCH AS WOMEN, YOUNG WORKERS, AND CONTRACT WORKERS**

Our Environmental Management System (EMS) is managed at each site by a site-level Environmental, Health, and Safety coordinator, who ensures that the system is implemented and maintained. We are committed to ensuring that proper working conditions exist for the health and safety of our employees. Our commitment includes:

Advancing shared environmental goals through strategic engagement with our suppliers.

A robust Physical Security Policy that provides a framework to detect, deter, and mitigate risks that could jeopardize the company's integrity, people, processes, or critical assets.

Taking steps to validate the absence of slavery, human trafficking, and forced labor in our supply chain and therefore ensure compliance with the UK Modern Slavery Act.

Our Commitment to Social Impact

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Employee Engagement

Our most important asset is our people. We maintain that our greatest differentiator is not our physical or financial assets; instead, it is our people and our core values. Our foundation is built on caring for our approximately 300 employees. We believe that extraordinary people working together are the foundation for our ultimate success, and enable us to build exceptional value for our customers, communities, stakeholders, and each other.

We have developed a strategic workforce plan, designed to ensure our ability to maintain a motivated and capable team across our organization. This plan supports our future growth and guides our near-term objectives that relate to employee engagement, diversity, equity, and inclusion, community initiatives, and development and retention.

We strive to use our knowledge, talents, and resources to improve the quality of life of our workforce. Our success depends on a highly skilled, properly motivated, and valued workforce. Our goal is to be the preferred place to work in our industry, and to attract the best people by creating a culture that is exciting, creative, fun, and embraces continuous improvement. Our management is focused on developing an inclusive and respectful work

environment where our employees are highly engaged and motivated.

In addition, we foster an engaging and rewarding experience for our people. Ensuring high levels of employee pride and engagement requires significant attention to topics such as growth and development, rewards and recognition, and the evolving needs of the workforce of the future. Thus, we have an ongoing focus to continually improve our culture and talent management practices through the implementation of Human Capital Management (HCM) reporting and practices.

We are transforming and modernizing our culture and talent management practices by implementing HCM reporting and practices to establish a foundation to enable leaders to better hire talent and manage teams. These practices include standards for goal setting, performance evaluations, succession planning, and learning and development. We are committed to fairness in compensation and regularly review our compensation model to ensure fair and inclusive pay practices across our business. We are committed to pay equity and regularly review its compensation model to provide fair and inclusive pay practices throughout the business.

In October 2022, we commissioned our first employee engagement survey. The employee participation rate was high at approximately 90% and the overall results reflected that 88% of our employees held favorable/neutral assessments of our company's culture. The survey provided us with meaningful feedback regarding key areas where we can positively impact our culture in the future. As a result, we have formed employee-led focus groups, each addressing key topics, that will help drive long-term enhancements to our culture.

We encourage every one of our team members to form deeper relationships with those around them based on mutual respect, dignity, and understanding. We have non-discrimination and anti-harassment policies located on our employee policy portal. These policies drive a workplace and workforce that embraces the highest ethical and moral standards. We maintain strong and confidential reporting processes and procedures that allow employees to express concerns and support an open and honest environment in an effort to ensure that the highest principles of integrity and inclusion are maintained.

Furthermore, to encourage productive conversations within our organization, we have started to design an employee engagement program. We are committed to providing all employees with the opportunity to grow, connect, and thrive within our company. We foster a seamlessly collaborative, digitally connected workplace to support changing needs and enhance our people leadership capability to deliver rewarding employee experiences, while continually developing our workforce of tomorrow. Skills and professional development training is provided to employees at all levels, with additional development sessions specifically targeted at managers and leaders. Other recent highlights include the following:

- An organization-wide strategic, succession plan to anticipate future talent requirements
- A 90-day onboarding plan for newly hired, and newly promoted, employees

We also believe that our industry and our employees need to diversify and engage with young people if we are to maintain a strong pipeline for future talent acquisition. It is more important than ever to continue connecting with schools to attract the best talent. The need to attract the best talent in the industry remains, as does the need to be more inclusive and employ people from a diverse range of backgrounds. As key stakeholders in the industry, engaging and investing in social impact and social value is no longer optional, it's essential.

As part of our commitment to building a culture of continuous improvement, we are dedicated to engaging with our employees and seeking feedback that we can use to enhance our programs and initiatives. We endeavor to:

GROW THE NUMBER OF STUDENTS ENTERING THE FIELD

INCREASE UNDERREPRESENTED MINORITIES

CONTINUE TO SUPPORT LOCAL INITIATIVES SUCH AS EDUCATIONAL AND NETWORKING FORUMS



“We believe that extraordinary people working together are the foundation for our ultimate success and enable us to build exceptional value for our customers, communities, shareholders, and each other.”

LORI SMITH,
Director of Human Resources

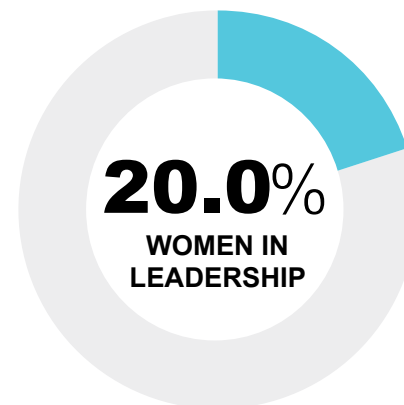
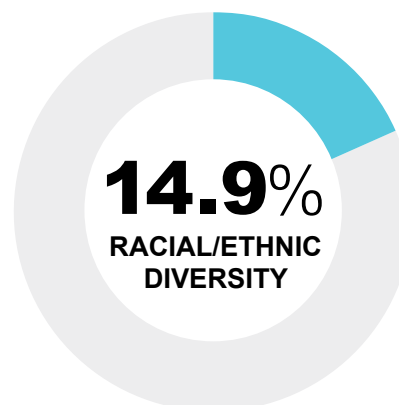
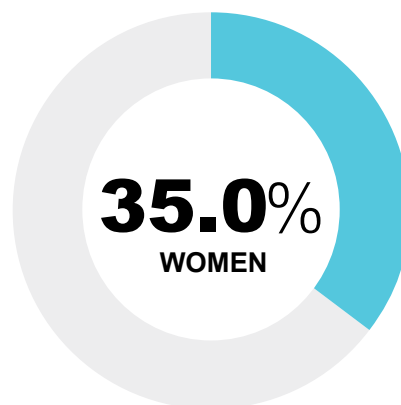


Diversity, Equity & Inclusion

We are committed to creating an inclusive culture that attracts and values diversity of thought, experience, background, skills and ideas. We believe our people are our most important asset and we are at our best when we embrace the diverse perspectives of our associates, clients, customers and communities. We continue to cultivate our large base of brand ambassadors who are instrumental in preserving the authenticity of our brands, and who identify with our increasingly diverse consumer base. Prioritizing a workplace that fosters diversity is essential to our long-term growth and sustainability, and we have made it an imperative in our continued business transformation.

Our commitment to Diversity, Equity & Inclusion (DE&I) starts with our goal of developing a workforce that is diverse in background, knowledge, skill, and experience. We have implemented policies and training focused on non-discrimination and harassment prevention. We embrace DE&I, which we believe fosters leadership through new ideas and perspectives.

42.0%
TOTAL WORKFORCE DIVERSITY





In 2023, we continued the evolution of our DE&I objectives. As of April 30, 2023, women represented 35% of our workforce and self-identified ethnic and racial minorities represented 14.9% of our workforce.

As stated in our [Code of Ethics](#), we are fully committed to providing our applicants and associates with an equal employment opportunity. That means we recruit, hire, train, promote, compensate, develop and retain the most qualified people from a diverse candidate pool, and we will not discriminate based on race, color, religion, religious dress and grooming, gender, pregnancy, age, national origin, disability, sexual orientation, marital status, citizenship, veteran status, gender identity, transgender status or any other status protected by law or by our policies.

- Our commitment to the LGBTQ+ community is reflected in our company's policies. We offer same-sex marriage benefits and we have a strong anti-discrimination policy.
- The inclusion of people with disabilities can help drive our success. As such, we provide a training course for employees on inclusion in the workplace that incorporates disability inclusion. Reasonable accommodations include adaptive equipment, allowances for on-site service animals, flexible work arrangements, special parking assignments, hotlines, and a number of other inclusive services.

In alignment with the UN Guiding Principles on Business and Human Rights, we respect human rights and seek to avoid adverse human rights impacts resulting from

our business activities. We are continuously working to do better and improve our impact. However, if adverse impacts arise, our approach focuses on mitigation and remediation through effective remedies. Discrimination and harassment are not tolerated in the workplace or in any work-related circumstances outside of the workplace. We do not tolerate disrespectful or inappropriate behavior, unfair treatment, or retaliation of any kind. To reinforce these priorities, all salaried employees are required to complete annual mandatory training on compliance with our Codes, anti-discrimination, and unconscious bias, as well as state-specific training on sexual harassment.

Our Community

Our success is interdependent with the prosperity of the communities we serve. We are committed to having a positive impact on the communities where we operate by being good neighbors and good corporate citizens. We seek partnerships with non-profit organizations and provide support both financially and through employee volunteering coordinated through our Ambassadors of Goodwill program. Our primary areas of support include education, health and wellness, arts and culture, and the environment.

We believe that investing in local communities to create social and economic outcomes is at the heart of generating social impact. We are aware of how our presence and partnership can affect others. Therefore, we are consciously working to systemically create positive social change and are focused on supporting various organizations through fundraising efforts, educational sponsorship, community development efforts, charity drives, and partnerships.



Our company and employees collectively sponsored, donated product, and participated in a number of fundraisers to support **The Food Bank for Central & Northeast Missouri**, an organization that helps feed our neighbors in 32 counties in Missouri.



We have established a strategic relationship with **Missouri 4H**, an organization dedicated to providing experiences where young people learn by doing and explore ways to make their lives and communities better. Our company sponsored, and our employees participated in, the Missouri 4H Clover Classic and Clover Clays Classic events, as well as 4H training programs.



In an ongoing environmental improvement project initiated by our employees and sponsored by our company, we have adopted a section of walking/hiking trail under the **Missouri Adopt-A-Trail program**. Employees and their family members gather periodically and, equipped with our Hooyman tools, help clear debris and waste from the natural environment, keeping it clean and safe for future generations.



Children are our most precious resource, so we've aligned with St. Jude, an organization leading the way in the treatment and defeat of childhood cancer and other life-threatening diseases. We recently donated a full Grilla outdoor kitchen to the Missouri St. Jude Dream Home auction in St. Louis.



Through strategic nonprofit partnerships, volunteerism, and philanthropy, our corporate responsibility is focused on contributing to the creation of a better world. Going forward, we will continue to partner with nonprofit organizations that work to increase our community initiatives, decrease the number of individuals facing economic barriers, and make our communities reflections of our company's commitments and values.

We continue to strengthen our relationships with local schools and universities to benefit our recruitment process. We recently participated in a Columbia, Missouri-based **Show-Me Careers program**, which allows local educators to visit surrounding businesses to learn about each company, better understand the future needs of each business, and identify skill requirements and future opportunities for their students. We are proud to participate in this program, which will help us build a more sustainable workforce in the surrounding Columbia area.



“Through the educators and companies who participate in Show-Me Careers Columbia, we reach thousands of students with valuable information about the in-demand careers in their community. This program helps our youth plan for a successful future, and our employers connect with the talent they will need in the years to come.”

DAN MEHAN,
President and CEO,
Missouri Chamber of Commerce and Industry

Product Safety

We have a robust product safety process that ensures compliance with relevant regulatory requirements on consumer health and safety. We consider the health and safety impacts of our products throughout the product life cycle, including selection of materials that can be used safely for intended applications. Our focus on health and safety continues throughout the production stage to ensure quality control, and then end-of-life to ensure safe disposition of products.

We are dedicated to ensuring the health and safety of our team members by supporting the whole person. Our dedicated global health and safety function ensures that employees are trained on best practices to create a safe and healthy workplace for all. Each of our locations performs regular safety audits to ensure

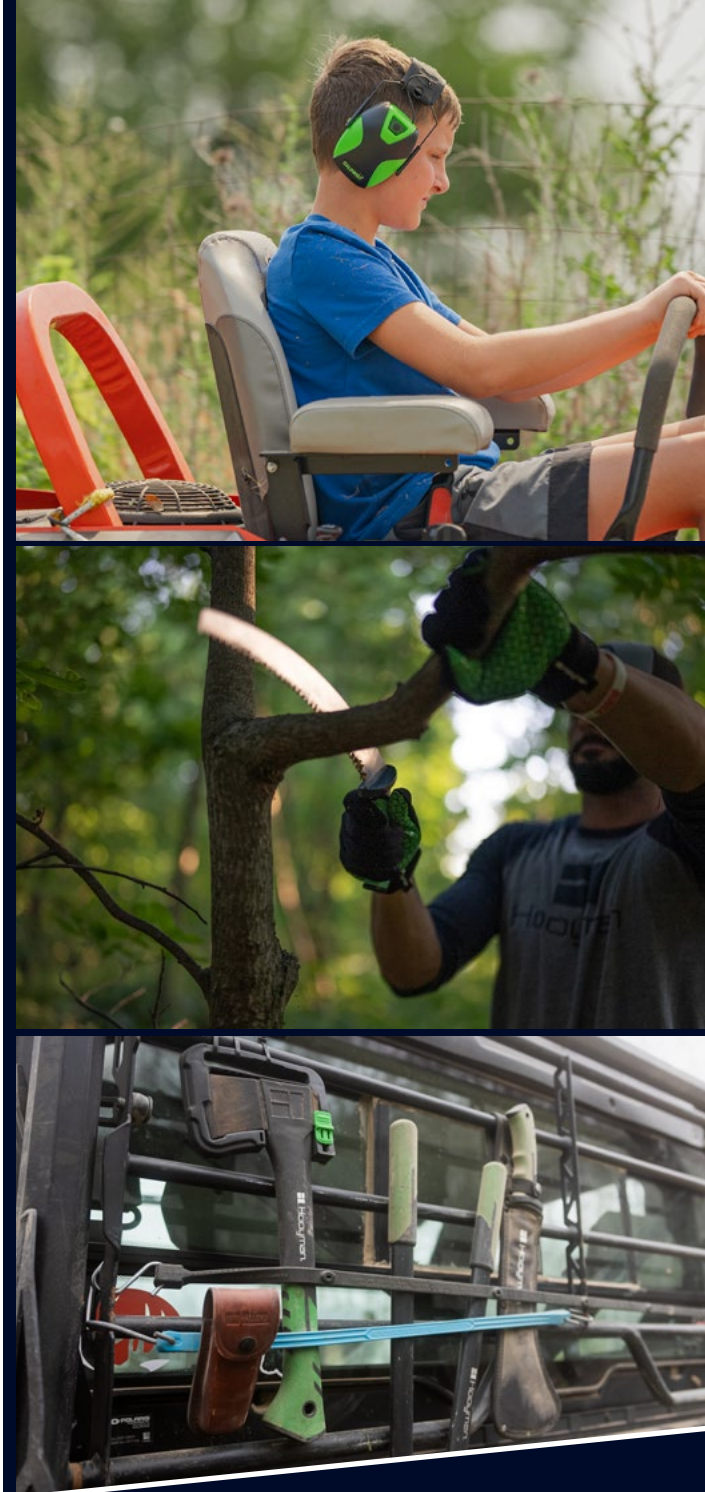
that proper safety policies are in place and appropriate safety training is provided. In addition to training and development, we measure and report on monthly safety metrics and periodically review our safety performance with our Board.

We require that our products meet mandatory safety standards, and we frequently require vendors to exceed regulatory requirements. We expect our products to comply with good manufacturing and quality processes. We conduct vendor compliance checks to ensure appropriate product safety and quality efforts. Our product safety and quality program is incorporated at every stage of the product life cycle. These products must pass rigorous testing before they are approved.

Development & Retention

We believe that our employees are our greatest asset, and are critical to our ability to execute our strategy. As such, we are committed to a strong, healthy culture that provides respect for all employees, focuses on creating and sustaining an atmosphere of collaboration and innovation, and rewards team and individual successes. We embrace diverse viewpoints and perspectives, recognizing that greater inclusion fosters innovation and improves decision-making and financial results. We invest in our people accordingly.

Our compensation program is designed to attract, retain, and reward performance and align incentives with achievement of our strategic plan and both short- and long-term operating objectives. We benchmark our total compensation practices so that we may remain competitive in the markets in which we have employees. In accordance with our compensation philosophy established by the Compensation Committee and the Board, we believe our executive pay is well-aligned with performance, creating a positive relationship between our operational performance and stakeholders. We also offer competitive benefit packages that reflect the needs of our workforce.



The physical and mental health and wellness of our employees is a top priority. In this regard, we aim to provide robust health and wellness employee benefits for our workforce. We continually evolve our benefit plans to remain competitive and to meet the needs of our workforce to include medical benefits, dependent care, life insurance, accident and disability coverage, and a 401(k) program. We review our benefits plans routinely to ensure they remain competitive and meet the needs of our workforce.

We are committed to ensuring our employees are paid a fair wage. To that end, we offer competitive wages and benefits to our employees. We base annual pay increases and incentive compensation on merit, which is communicated to employees upon hire and documented through our performance management program. Our executive compensation program is designed to align incentives with the achievement of our strategic plan and

both short- and long-term operating objectives. We utilize a variety of external, third-party, market data sources to ensure our compensation practices remain fair and competitive. Benefit trends are reviewed regularly, and plans are adjusted accordingly to remain competitive.

As a component of our commitment to gender equity, we continue to champion an inclusive culture. We recently launched a Women's Resource Group. This group is dedicated to engaging women within our organization, and helping them to develop the mindsets and skill sets to advance and attain leadership positions in an industry that historically possesses low gender participation.

The ability to attract, retain, and develop employees is critical to our success. We offer training and development programs to encourage professional growth and advancement from within, including the following:

- tuition reimbursement for up to 100% of an employee's bachelor's or advanced degree;
- reimbursement for continuing professional education for our professionally licensed employees;
- support for membership in professional associations; and
- in-house training to aid with career advancement.

We also provide access to self-directed online courses taught with curated learning paths that are designed specifically for the professional interests of our employees. We believe that this training and development leads to more valuable contributions from our employees, while improving their satisfaction within existing roles and positioning them for potential future advancement.

SOME OF THE VARIOUS BENEFITS WE OFFER INCLUDE:

- a comprehensive medical, dental, and vision plan for our employees and their families, for which we pay approximately 87% of total premium costs,
- a 401(k) plan wherein the company will contribute a 50% match on the first 6% of deferrals up to a maximum of 3%
- a profit-sharing plan, paying eligible employees a percentage of their eligible earnings based on company profits;
- twelve annual holidays, nine of which are scheduled and three of which are designated by the employee;
- a paid time off program, including paid sick and vacation time;
- paid and unpaid leaves of absence, including paid family and medical leave;
- flexible work schedule, including "Outdoor Hours"
- flexible spending and health savings accounts;
- life and disability insurance coverage;
- employee stock purchase plan;
- on-site fitness center;
- on-site mother's room;
- employee assistance programs; and
- product discounts

Our Culture of Governance

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Business Ethics

We are committed to operating responsibly based on the highest standards of ethics and integrity. This commitment starts with comprehensive corporate governance structures, processes and policies designed to promote transparency for our stakeholders and strengthen Board and management accountability. Our robust risk management programs are designed to ensure we maintain strict data security, safeguard the privacy of our customers, and uphold compliance with all applicable laws and regulations governing our business. In fiscal 2023, we refreshed our Employee Risk Management (ERM) Register to confirm the alignment of our overall risk profile to our strategies and objectives.

We are committed to achieving excellence in our corporate governance practices. We emphasize a culture of accountability and conduct our business in a manner that is fair, ethical, and responsible to earn the trust of our stakeholders. We have comprehensive corporate governance policies and structures in place to foster

accountability and transparency for our management team. These policies reflect our underlying commitment to maintain the highest standards of ethics and integrity and to operate our business in compliance with all applicable anti-corruption, antibribery, and anti-trust laws and regulations. We also maintain robust risk management programs to ensure compliance with applicable laws and regulations governing ethical business practices.

SHENZHEN, CHINA

For facilities in our locations outside of the United States, we have developed and published a handbook that outlines these policies and programs, ensuring that all employees, globally, are held to our high ethical standards.

We have comprehensive corporate governance policies and ethics in place to foster accountability and transparency for our Board of Directors and management team. We depend on business partners to proactively share any ethical concerns or potential misconduct so that we can promptly investigate and address concerns. We also expect suppliers to maintain effective grievance mechanisms for workers, aligned with the criteria outlined.

We feature a hotline and website where stakeholders can voice their ethics concerns. We continue to explore opportunities to increase accessibility to reporting options, and improve the effectiveness of our responses to reported ethical concerns.

Board Composition

Our Board of Directors is responsible for oversight of our business, including the company's long-term business strategy to promote the diverse priorities and interests of all of our stakeholders. This oversight role includes a focus on responsible decision-making, including risk management, leadership development and succession planning, public reporting, compliance, data management, cybersecurity and data security. The Board also oversees human capital management, as well as our sustainability strategy and programs, including initiatives to promote sustainability, DE&I and stakeholder engagement. Our Corporate Governance Guidelines provide a framework for the governance of our company.

The Guidelines are reviewed by the Board at least annually and amended or supplemented as needed.

The Board of Directors of American Outdoor Brands, Inc. sets high standards for our company's employees, officers, and directors. Implicit in this philosophy is the importance of sound corporate governance. It is the duty of our Board of Directors to serve as a prudent fiduciary for stakeholders and to oversee the management of our business. To fulfill its responsibilities and to discharge its duty, our Board of Directors follows the procedures and standards that are set forth in its Corporate Guidelines.

Certain corporate governance highlights include the following:

FULLY INDEPENDENT AUDIT, COMPENSATION, AND NOMINATIONS AND CORPORATE GOVERNANCE COMMITTEES

ALL OF OUR DIRECTORS ARE
INDEPENDENT EXCEPT FOR OUR CEO

INDEPENDENT CHAIRMAN OF THE BOARD

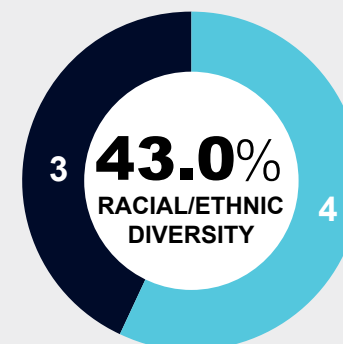
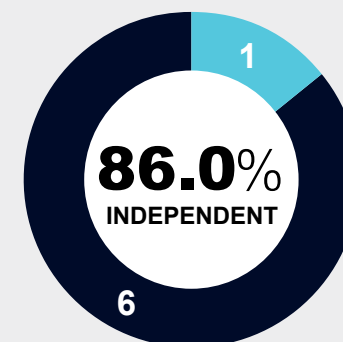
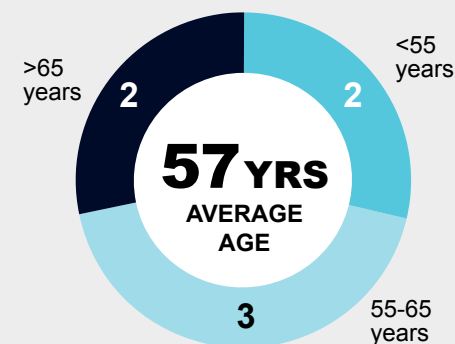
ANNUAL BOARD AND COMMITTEE
SELF-ASSESSMENTS

INDEPENDENT DIRECTORS MEET REGULARLY
WITHOUT MANAGEMENT PRESENT

A COMMITMENT TO DIVERSITY,
EQUITY, AND INCLUSION

A DIVERSE BOARD MAKEUP WITH TWO WOMEN
AND ONE ETHNICALLY DIVERSE MEMBER

BOARD DIVERSITY





We believe that strong corporate governance is essential and supports the long-term success of our business. Our Board of Directors and its committees help set the tone for our company, and our leadership devotes time and attention to matters of corporate responsibility, including ESG matters. Our Nominations and Corporate Governance Committee has oversight of our ethics and governance efforts. Our Board of Directors is comprised of a majority of independent directors as defined by the Nasdaq listing standards and the Board's Corporate Governance Guidelines.

The Board determines nominees to be recommended to stockholders for election to the Board, taking into consideration the recommendations of the Nominations and Corporate Governance Committee. The Board strives to maintain a diverse group of directors who will make a significant contribution to the Board and the company based on a variety of factors including their background, skills and experience in executive management, business operations, information technology and finance, along with relevant industry experience in banking and financial

services. The Board is also committed to maintaining diversity with respect to race, ethnicity and gender to strengthen and increase the diverse perspectives of the Board.

We recognize that effectively managing enterprise risks is critically important to the long-term success of our business. Management is responsible for our company's day-to-day risk management activities. We rely on a comprehensive risk management process to aggregate, monitor, measure, and manage risks. While we exercise oversight, we do not have full control over our supply chain nor the suppliers we do business with; however, we continually seek to partner with suppliers that share common values.

In fiscal 2023, our Board created an ESG Committee, with overall responsibility for the oversight and effective operation of our ESG strategy. In 2023, we expanded the scope of and renamed the "ESG Committee" to the "Sustainability Committee" to better reflect the committee's enhanced oversight of sustainability policies, practices,

and goals including climate change, cybersecurity, DE&I and human capital. Our senior leadership team is tasked with driving results in these areas given the strategic importance of sustainability.

We periodically engage with our stakeholders to better understand their views on ESG matters, carefully considering the feedback we receive and acting when appropriate. Our [website](#) contains our Board committee charters, as well as additional information on our governance related policies, including the following:

- [Corporate Governance Guidelines](#)
- [Code of Business Conduct](#)
- [Code of Ethics](#)

Data Privacy & Cybersecurity

Ensuring the privacy and security of customer data is critical to the success of our tech-forward business and building the trust of our customers. We are committed to safeguarding data and raising security awareness related to cybersecurity risks, adhering to applicable state and federal privacy regulations, and applying sound data management practices. This commitment starts at the top with oversight by our Board's Audit Committee, which receives at least quarterly reports related to information security, data quality and data privacy, as well as industry and regulatory updates. These reports focus on management's efforts to comply with evolving privacy and data management regulations as well as the ever-changing threat landscape.

Our Board and the Board's Audit Committee oversee our data management and governance strategy, led by our Director of Information Technology, and executed upon by the respective teams. This cross-functional, multilevel approach promotes Board and leadership engagement on strategic data initiatives and associated risk management. Our IT team operates 24/7 and uses a combination of industry leading tools and in-house innovative technologies to help protect our stakeholders against cybercriminals and fraudsters. Our team members are responsible for complying with our cybersecurity standards and complete mandatory annual training to understand the behaviors and technical requirements necessary to keep information secure. We also offer ongoing practice and education for team members to recognize and report suspicious activity. Our IT security teams perform annual penetration testing,

quarterly vulnerability scanning, and 24/7 monitoring of any potentially suspicious activity across our enterprise. In our most recent penetration testing, third-party testers were unable to exploit any known vulnerabilities, even after an assumed breach. As a result, we received an overall 'A' rating.

The primary goal of our cybersecurity program is to maintain cybersecurity defenses with capabilities within the top percentile of our industry. We use examination guidelines, frameworks, and privacy laws to guide us in consistently meeting legal and regulatory requirements. Our strategy allows us to perform a high level of due diligence by investing in information security and monitoring controls, which provide the best mechanism to deflect hackers. We utilize a combination of cloud-based, immutable backup storage systems and a separate off-site disaster recovery center to support the highest levels of business continuity.

We recognize our responsibility to appropriately use, maintain and safeguard the personal data we collect from our stakeholders. Our data security and privacy practices are designed to support privacy rights and are based on industry standards. Everyone at the company who works with personal information has a responsibility to understand and honor our privacy obligations. These individuals must read and comply with our internal privacy policies.



Data Tables and Appendix

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This annex expands transparency through key quantitative data compiled in accordance with the SASB frameworks and standards, along with additional details on our workforce, revenues, sales, stakeholders, locations, and certification. Report data covers all global operations unless otherwise noted. In developing our Sustainability Report, we have compiled metrics organized by key ESG themes incorporated within our tables and throughout our organization.

SDGs

The Sustainable Development Goals (SDGs) are a series of interlinked goals adopted by UN member states in 2015. These goals focus on creating a fairer, more just world with more sustainable economic and environmental practices by 2030. The goals are ambitious and will only succeed through the combined efforts of government, business, and civil society.

SUSTAINABLE DEVELOPMENT GOALS



We support the SDGs, and recognizing the importance of the goals, we have linked our priority areas to them. We have prioritized several goals that most align with our business and where we can make a positive impact around the world.



No Poverty

End poverty in all its forms everywhere.



Good Health and Well-Being

Provide equitable access of health services for all and end preventable deaths.



Quality Education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



Clean Water and Sanitation

Safe drinking water and sanitation are human rights and fundamental to human health and well-being.



Affordable and Clean Energy

Affordable, reliable, sustainable and modern energy for all by 2030.



Decent Work and Economic Growth

Promote sustained, inclusive, and sustainable economic growth—full and productive employment and decent work for all.



Industry, Innovation, and Infrastructure

Aims to build resilient infrastructure, promote sustainable industrialization, and foster innovation.



Reduce Inequalities

Reduce all forms of inequality within and among countries.



Sustainable Cities and Communities

Make cities inclusive, safe, resilient, and sustainable.



Responsible Consumption and Production

Encourages more sustainable consumption and production patterns through various measures.



Climate Change

Take urgent action to combat climate change and its impacts.



Life Under Water

Conserve and sustainably use the oceans, seas, and marine resources for sustainable development.



Life On Land

Seeks to protect, restore, and promote the conservation and sustainable use of terrestrial, inland-water, and mountain ecosystems.




Peace, Justice, and Strong Institutions


Dedicated to the promotion of peaceful and inclusive societies for sustainable development, the provision of access to justice for all, and building effective, accountable institutions at all levels.

SASB Table



TOYS & SPORTING GOODS STANDARD

SASB TOPIC	SASB METRIC	SASB CODE	DATA	NARRATIVE RESPONSE
CHEMICAL & SAFETY HAZARDS OF PRODUCTS 	Number of (1) recalls, (2) total units recalled	CG-TS-250a.1	1) 0 recalls 2) 0 total units recalled	We had no recalls during the most recent fiscal year.
	Number of Letters of Advice (LOA) received	CG-TS-250a.2	0 Letters of Advice (LOA)	We did not receive any LOAs from the US Consumer Product Safety Commission during the most recent fiscal year.
	Total amount of monetary losses as a result of legal proceedings associated with product safety	CG-TS-250a.3	0 (or immaterial) monetary losses due to legal proceedings	For the fiscal years ended April 30, 2023, 2022, and 2021, we did not incur any material expenses in defense and administrative costs relative to product liability litigation. In addition, we did not incur any settlement fees related to product liability cases in those fiscal years.
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-TS-250a.4		<p>As a distributor of consumer products, we are subject to the U.S. Consumer Products Safety Act of 1972, as amended by the Consumer Product Safety Improvement Act of 2008, which empowers the Consumer Products Safety Commission to exclude from the market products that are found to be unsafe or hazardous, and similar laws under foreign jurisdictions. Under certain circumstances, the Consumer Products Safety Commission or comparable foreign agency could require us to repurchase or recall one or more of our products. Additionally, other laws and agencies regulate certain consumer products sold by us and more restrictive laws and regulations may be adopted in the future.</p> <p>We ensure compliance with all local laws and regulations, including those governing product safety. In addition, we maintain product liability insurance.</p>


TOYS & SPORTING GOODS STANDARD (CONT.)

SASB TOPIC	SASB METRIC	SASB CODE	DATA	NARRATIVE RESPONSE
LABOR CONDITIONS IN THE SUPPLY CHAIN 	Number of facilities audited to a social responsibility code of conduct	CG-TS-430a.1		We require all suppliers to provide a safe and healthy working environment and respect human rights. We conduct vendor compliance checks to ensure appropriate product safety & quality efforts. We also engage in a formal review process on an annual basis to ascertain whether any 3TG minerals are present and necessary for the functionality or production of our products and report to the SEC in compliance with Section 1502 of the Dodd Frank Act.
	Direct suppliers' social responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) priority nonconformances and (b) other nonconformances	CG-TS-430a.2		If a product is determined to have a 3TG mineral, a conflict minerals survey is sent to the supplier requesting information regarding the life cycle of the 3TG in question. Upon receipt of the surveys, the team will review the responses for completeness and reasonableness. If additional information is required, the team will follow up with the specific supplier accordingly.
ACTIVITY METRICS	Annual production	CG-TS-000.A		As a holding company of 21 brands serving four different brand lanes, not all of which fall within the "Toys & Sporting Goods" category, this disclosure is not relevant.
	Number of facilities	CG-TS-000.B	3 Facilities: - Columbia, MO - Chicopee, MA - Shenzhen, China	<p>We sub-lease approximately 400,000 square feet of office and warehouse space in Columbia, Missouri. We lease 5,000 square feet of office space in Chicopee, Massachusetts; and 2,500 square feet of office space in Shenzhen, People's Republic of China.</p> <p>Our Missouri facility includes our principal executive, administrative, financial, sales, marketing, R&D, production, assembly, and distribution operations. Our Massachusetts facility houses certain administrative and finance staff. Our China facility houses certain R&D staff.</p>

RETAILERS & DISTRIBUTORS STANDARD


SASB TOPIC	SASB METRIC	SASB CODE	DATA	NARRATIVE RESPONSE
ENERGY MANAGEMENT IN RETAIL & DISTRIBUTION 	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	CG-MR-130a.1		<p>We understand the importance of being responsible stewards of our planet's resources and the importance of protecting it for our customers, communities, and employees. As a new company, we are in the early stages of developing our climate strategy, but we have identified recycling, sustainable and recyclable product packaging, and energy management and usage as important components of our longer-term environmental strategy.</p> <p>We are continuously investigating and implementing ways to boost efficiency, such as utilizing high-efficiency electrical equipment, including LED and motion detector lighting, renewable energy sources, and high-efficiency HVAC units.</p>
DATA SECURITY 	Description of approach to identifying and addressing data security risks	CG-MR-230a.1		<p>We maintain reasonable physical, technical, and administrative security measures to protect and limit access to personal information. See our Privacy Policy for more information: https://www.aob.com/legal/.</p> <p>Our cybersecurity systems and policies are built on a framework of ISO/IEC 27001, the NIST Framework for Improving Critical Infrastructure Cybersecurity, and the Control Objectives for Information and Related Technologies (COBIT) recommendations. To identify and mitigate any vulnerabilities we partner with a third-party vendor to perform annual vulnerability scans and penetration testing. In fiscal 2023, testers employed by our third-party vendor were unable to exploit any known vulnerabilities after an assumed breach leading to remote code execution or terminal access. Internally we continuously monitor our endpoint security platform to prevent, detect and respond to potential threats. Further to this, we leverage the latest encryption configurations and cyber technologies on our systems, devices, and third-party connections and review vendor encryption to ensure proper information security safeguards are maintained. Our employees receive training on data security, complete with attack simulations and phishing exercises which are performed throughout the year. Our data security and cybersecurity systems are overseen by our Director of IT, and we report to the board on IT and cybersecurity matters quarterly.</p>
	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	CG-MR-230a.2	0	<p>We did not experience any data breaches in fiscal 2023.</p>

RETAILERS & DISTRIBUTORS STANDARD (CONT.)

SASB TOPIC	SASB METRIC	SASB CODE	DATA	NARRATIVE RESPONSE
WORKFORCE DIVERSITY & INCLUSION 	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	CG-MR-330a.1	1) <u>Management</u> ¹ Male 80.00% Female 20.00% American Indian or Alaska Native 0.00% Asian 1.00% Black or African American 2.10% Native Hawaiian or Other Pacific Islander 1.00% Two or More Races 0.00% White 92.60% Hispanic or Latino 3.20% 2) <u>Total workforce</u> ¹ Male 65.00% Female 35.00% American Indian or Alaska Native 0.50% Asian 4.00% Black or African American 7.00% Native Hawaiian or Other Pacific Islander 0.80% Two or More Races 2.60% White 80.00% Hispanic or Latino 4.90%	We strive to champion a work environment that promotes the values of diversity, equality, inclusiveness, and community service. We are committed to being a good corporate citizen as well as creating a positive employee environment. We believe that our growth and future are closely tied to the recruitment, development, and retention of exceptional employees. We endeavor to foster a unique culture and celebrate our diverse workforce of approximately 300 employees. We are continuing to develop a number of initiatives to help recruit, develop, and retain employees in an effort to increase productivity, increase diversity awareness, enhance employee engagement, and encourage customer loyalty.
			Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	
		CG-MR-330a.2	\$0	In fiscal 2023, we had no monetary losses as a result of legal proceedings associated with employment discrimination.

¹Figures may not sum to total, or in some cases, may appear as zero, due to rounding.

RETAILERS & DISTRIBUTORS STANDARD (CONT.)

SASB TOPIC	SASB METRIC	SASB CODE	DATA	NARRATIVE RESPONSE
PRODUCT SOURCING, PACKAGING & MARKETING 	Revenue from products third-party certified to environmental and/or social sustainability standards	CG-MR-410a.1		We are unable to disclose this information at this time.
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-MR-410a.2		<p>As a distributor of consumer products, we are subject to the U.S. Consumer Products Safety Act of 1972, as amended by the Consumer Product Safety Improvement Act of 2008, which empowers the Consumer Products Safety Commission to exclude from the market products that are found to be unsafe or hazardous, and similar laws under foreign jurisdictions. Under certain circumstances, the Consumer Products Safety Commission or comparable foreign agency could require us to repurchase or recall one or more of our products. Additionally, other laws and agencies regulate certain consumer products sold by us and more restrictive laws and regulations may be adopted in the future.</p> <p>We ensure compliance with all local laws and regulations, including those governing product safety. In addition, we maintain product liability insurance.</p>
	Discussion of strategies to reduce the environmental impact of packaging	CG-MR-410a.3		<p>We understand the importance of being responsible stewards of the planet's resources and the importance of protecting it for their customers, communities, and employees. As a new company, we are in the early stages of developing our climate strategy, but we have identified recycling, sustainable and recyclable product packaging, and energy management and usage as important components of our longer-term environmental strategy. In parallel with our ESG strategy, a key strategic priority that drives our environmental responsibility includes a focus on incorporating biodegradable packaging via recycled materials when possible.</p>



BOG

BUBBA

CALDWELL

CRIMSON TRACE

FRANKFORD ARSENAL

grilla

Hooyman

IMPERIAL

LASERLYTE

LOCKDOWN

MEAT!
YOUR MAKER

OLD TIMER
EST. 1958

SCHRADE

TIPTON

Uncle Henry

ust

WHEELER

LICENSED BRANDS INCLUDE:

Smith & Wesson

M&P by Smith & Wesson

THOMPSON/CENTER
America's Master Gunmaker

Performance Center
by Smith & Wesson

AMERICAN OUTDOOR BRANDS, INC. HEADQUARTERS

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