AeroVironment

2025 Corporate Social Responsibility REPORT

INTRODUCTION

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ABOUT THIS REPORT

This Corporate Social Responsibility (CSR) Report covers environmental, social, and governance topics which pertain to AeroVironment Inc.'s (AV) business and stakeholders. This report has been developed with guidance from the Sustainability Accounting Standards Board (SASB) Aerospace & Defense Standard (2023). Unless stated otherwise, data presented throughout this report covers AV's 2025 fiscal year (May 1, 2024 – April 30, 2025) and refers to its global operations and activities which are wholly owned and operated by AV. Unless otherwise noted, all financial values in this report are in United States dollars (USD).

The AV CSR Committee maintains responsibility for the development of this annual CSR Report under the guidance and direction of its company leaders and Board of Directors. The materials presented in this report have been collected through internal efforts and are subject to reasonable estimation where applicable. The information provided has not undergone third-party or other independent verification at this time.

MATERIALITY

It is important to note that while we are using this CSR Report to share progress against material environmental, social, and governance topics as identified through our internal assessment and stakeholder engagement, the definition of "materiality" in this context differs from the definition used for filings with the United States Securities and Exchange Commission (SEC). The information held within this report should not be interpreted as a characterization of materiality or financial impact for SEC reporting purposes.

SAFE HARBOR STATEMENT

This presentation contains "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate, or imply future results, performance or achievements, and may contain words such as "will," "believe," "anticipate," "expect," "estimate," "intend," "project," "plan," or words or phrases with similar meaning. Forward-looking statements are based on current expectations, forecasts, and assumptions that involve risks and uncertainties, including, but not limited to, economic, competitive, governmental, and technological factors outside of our control, which may cause our business, strategy, or actual results to differ materially from the forward-looking statements.

Factors that could cause actual results to differ materially from the forward-looking statements include, but are not limited to, the impact of our ability to successfully close and integrate acquisitions into our operations and avoid disruptions; any actual or threatened disruptions to our relationships with our distributors, suppliers, customers, and employees, including shortages in components for our products, including due to restrictions, sanctions, or tariffs imposed by governments; risks related to our international business, including compliance with export control laws; failure to remain a market innovator, to create new market opportunities, or to expand into new markets; our ability to increase production capacity to support anticipated growth; and unexpected changes in significant operating expenses. For a further list and description of such risks and uncertainties, see the reports we file with the Securities and Exchange Commission (SEC). We do not intend, and undertake no obligation, to update any forward-looking statements, whether as a result of new information, future events, or otherwise.

FOR QUESTIONS REGARDING THIS REPORT, please contact our Investor Relations team

A LETTER TO OUR STAKEHOLDERS

Once again, AV has achieved another strong year, far exceeding expectations and delivering on our commitment to long-term growth. In fiscal year 2025, we generated nearly $821 million in total revenue, led largely by product sales of our Loitering Munition Systems (LMS). We continued to see rising demand for our innovative technologies and solutions, securing $477 million in funded contract awards along with our single largest contract in our 54-year history valued at nearly $1 billion over the next five years. As we concluded the year, we positioned ourselves to complete the acquisition of BlueHalo, further strengthening our position as the premier next-generation defense tech prime with a portfolio spanning air, land, sea, space, and cyber domains.

For more than 50 years, we have worked tirelessly to do the impossible, and we are proud to continue this rich history and tradition. In 2025, we invested more than $100 million into research and development, enabling us to develop new technologies, services, and solutions. This year, we launched JUMP 20-X and P550 with technologies designed to address the ever-changing and complex demands of security missions across challenging terrain and difficult environments. Our JUMP 20-X is designed with a modular, open-system approach (MOSA) and leverages advanced artificial intelligence (AI) and autonomy. P550, another autonomous unit with MOSA design, allows for rapid reconfiguration in the field to adapt to changing needs in as little as five minutes. At the conclusion of the 2025 fiscal year, we introduced Red Dragon, a fully autonomous capable uncrewed aircraft system (UAS) designed for one-way missions in high-threat situations, leveraging our latest designs and technologies such as AVACORE™ software. These systems are battle-ready, providing flexibility and resilience in highly contested environments, and are designed to help enhance operator safety by moving personnel even further from active battlefields.

Guided by our purpose and core values, it is our desire to secure lives and advance sustainability through transformative innovation and responsible business operations. As we incorporate future-forward technologies, we are focused on energy conservation and reducing the demand for raw materials consumption. Our MOSA design, for example, allows our customers to extend the life of the equipment by upgrading and swapping out payloads as-needed, reducing the need to purchase, maintain, and replace multiple units. With nearly 90% of our portfolio now battery-operated, we continue to reduce the demand for fossil fuels during use. Where heavy fuel engines are needed, like with our JUMP 20 systems, we have continued to improve fuel efficiency through longer-range coverage and enhanced endurance.

On the home front, we are focused on the environmental and social impacts of our operations. We continue to assess our energy demands, greenhouse gas emissions, waste generation, and water consumption across our operations, seeking out responsible and effective opportunities to reduce our impacts. We are also strengthening our relationships with our local communities through educational partnerships, volunteer events, and financial donations. Last year, we partnered with organizations like For the Troops, the American Red Cross, and others that align with our core values. As we continue to grow as a company we remain focused on ensuring that we are recruiting and retaining the brightest minds in the industry. From world class internships designed to attract new talent, to ongoing employee development programs, we encourage our talented workforce to explore opportunities that lead to meaningful, tenured careers with AV.

We are excited by what the future holds for AV and are encouraged by what we have accomplished through the end of fiscal year 2025. We look forward to sharing our progress in the years to come.

Sincerely,

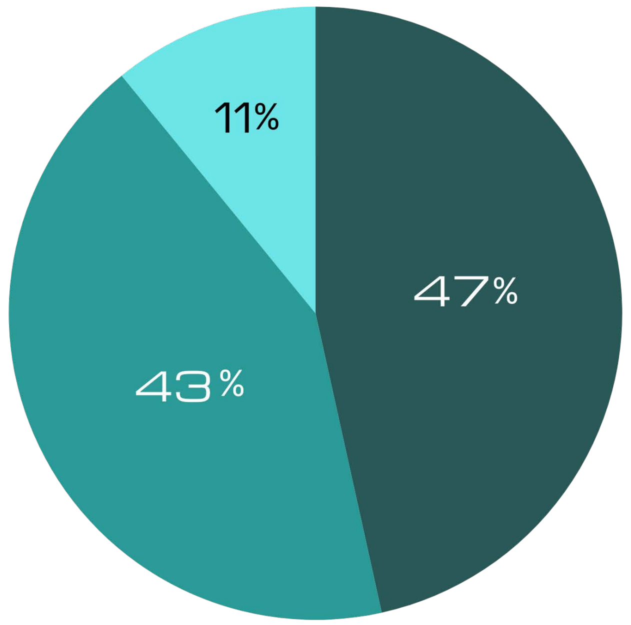
Wahid Nawabi,
Chairman, President, and CEO

ABOUT AV

AV is a global defense technology leader delivering advanced integrated capabilities across air, land, sea, space, and cyber domains. During fiscal year 2025, we generated $820.6 million in revenue, a 14% increase compared to fiscal year 2024. We also issued and retained 353 U.S. patents, with 103 additional patents pending and many more filed outside the U.S. Where appropriate, we retain intellectual property through trade secrets, opting to preserve confidentiality.

Through our three business segments, Loitering Munition Systems (LMS), Uncrewed Systems (UxS), and MacCready Works (MW), we deliver proven systems and future-defining capabilities at speed, scale, and operational relevance.

FISCAL YEAR 2025 REVENUE BY BUSINESS SEGMENT

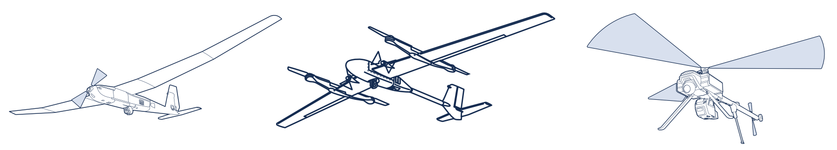


FISCAL YEAR 2025 PRODUCT LINES INCLUDE:

UNCREWED SYSTEMS (UxS)

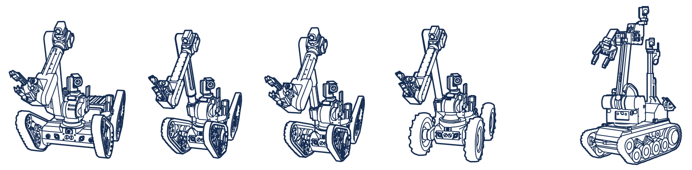
Small Uncrewed Aircraft Systems (SUAS)

PUMA LE & 3 AE
P550
VAPOR 55 MX



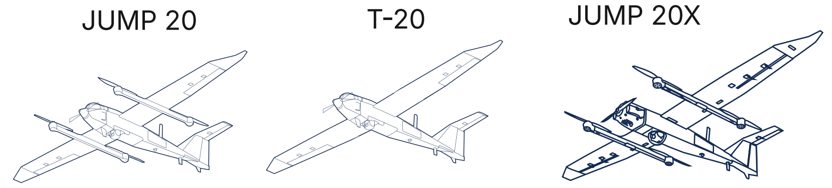
Uncrewed Ground Vehicles (UGV)

telemax FAMILY
tEODor EVO



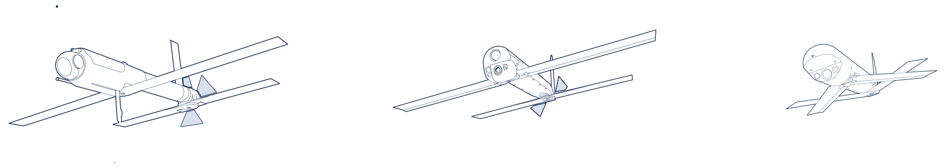
Medium Uncrewed Aircraft Systems (MUAS)

JUMP 20
T-20
JUMP 20X



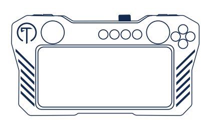
LOITERING MUNTION SYSTEMS (LMS)

SWITCHBLADE 600
SWITCHBLADE 300 / BLOCK20
BLACKWING



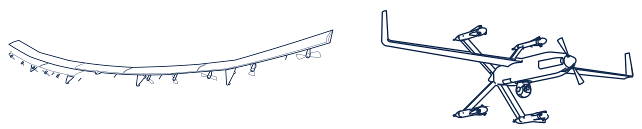
Ground Control Solutions

TOMAHAWK



MACCREADY WORKS (MW)

SunGlider HAPS
WILDCAT



AEROVIRONMENT

FY2025 GLOBAL LOCATIONS

13 CAMPUSES ACROSS THE UNITED STATES AND EUROPE

Simi Valley, CA // Moorpark, CA // Petaluma, CA // San Diego, CA // Lawrence, KS // Hunstville, AL // Melbourne, FL // Erie, PA // Wilmington, MA // Arlington, VA // Centreville, VA // Minneapolis, MN // Ostfildern, Germany

COMPANY SNAPSHOT

Year	Corporate	Global	U.S. Patents	FY2025 Revenue
1971	ARLINGTON VA	~1,450	456	$820.6
Founded	Headquarters	Employees	Pending and Approved	Million USD

AV'S HISTORY OF GROWTH THROUGH ACQUISITIONS

FY21 – Arcturus UAV

A leading designer and manufacturer of high-performance unmanned aircraft systems (UAS), the acquisition of Arcturus UAV expanded our existing UxS portfolio and increased our customer base.

> The JUMP® 20 has vertical take-off and landing requiring no launch system or runway, with best-in-class range and endurance the JUMP 20 delivers superior performance.

> The T-20™ has class-leading endurance and payload flexibility with high performance optics allowing for long-range day and night imaging, onboard tracking, and stabilization.

FY23 – Planck Aerosystems

Planck Aerosystems is a leading provider of unmanned aircraft navigation solutions. The acquisition further accelerated our development of advanced autonomy capabilities, integrating into our existing portfolio of intelligent, multi-domain robotic systems.

> The advanced flight autonomy and navigations solutions, such as Autonomous Control Engine (ACE™) integrates with AV's multi-domain robotic systems, such as JUMP 20 and other unmanned aircraft systems.

FY22 – Telerob

The acquisition of Telerob significantly expanded our portfolio to include unmanned ground vehicles, broadening our multi-domain unmanned systems offerings with a global presence.

> telemax™ and tEODor™ EVO solutions possess all-terrain capabilities built with a high degree of mission flexibility. The unmanned ground vehicles allow operators to focus on completing the mission safely, even under the most demanding conditions.

FY24 – Tomahawk Robotics

The acquisition of Tomahawk Robotics, a leader in AI-enabled robotic control and integrated communication systems, allowed us to expand our use of AI technology to advance the autonomy of our solutions.

> Tomahawk Robotics' Common Control System, Kinesis, is one of the most widely used solutions for common controllers across the U.S. Department of Defense (DoD). The AI-enabled control solution is designed to make robotic systems easier and safer to use, while enhancing human-machine teaming.

In November 2024, we announced our intention to acquire BlueHalo, expanding our capabilities in space technologies, as well as electronic and cyberwarfare.
The acquisition was completed May 1, 2025, as part of our fiscal year 2026. For more information about this or any of our other acquisitions, please visit our website.

PURPOSE AND VALUES

We are committed to upholding the highest standards of business conduct as we seek to become the leading global defense technology company. We know that through discipline, transparency, compliance, and strong ethical governance, we can achieve our purpose.

AV's Purpose is to secure lives and advance sustainability through transformative innovation.

AV's Core Values inform and guide our organization at every level, prioritizing transparency, accountability, and sustainability.

TRUST AND TEAMWORK

- We demonstrate integrity and ethical conduct in all our actions.
- We listen attentively, speak candidly, and treat others respectfully.
- We work together as a team to win.

OWNERSHIP AND RESULTS

- We act in the interest of all our stakeholders, beyond that of ourselves or our teams.
- We take ownership and are accountable for our outcomes.

INNOVATE AND SIMPLIFY

- We are originators: curious and relentless in the pursuit of new, innovative solutions and improvements.
- We look for new ideas everywhere and are committed to ensuring that the best ideas win.

CUSTOMER COMMITMENT

- We strive to earn and keep our customers' trust.
- We make a positive difference in our customers' lives by understanding, anticipating, and responding with agility to their needs.

At the end of the day, we don't copy or compete; *we set the standard by continuously adapting to emerging threats, ensuring warfighters always have the upper hand.*

PRODUCT INNOVATION AND SUSTAINABLE SOLUTIONS

For more than five decades, we have focused on redefining what is possible. From the launch of the world's first human-powered airplane, the Gossamer Condor, to the success of the Mars helicopter, Ingenuity, we continue to engineer for the future, ushering in a new era of defense technologies. Our innovations are shaped and informed by real-world missions, supporting our customers as they complete ever-more ambitious missions, overcoming seemingly unmanageable challenges.

UNCREWED SYSTEMS

JUMP® 20-X:

Launched in February 2025, the JUMP 20-X is an advanced Group 3 vertical take-off and landing (VTOL) UAS designed for unmatched flexibility and precision due to its infinitely configurable design. It utilizes our MOSA design and leverages AI and autonomy with fully hands-free operation to ensure maximum safety. Additionally, the JUMP 20-X has vertical launch capabilities, enabling rapid deployment in less than 30 minutes. The JUMP 20-X is designed to excel in complex environments through the integration of advanced navigation techniques.

P550™:

Our latest all-electric VTOL UAS, the P550, was introduced in October 2024. This autonomous Group 2 eVTOL UAS offers advanced situational awareness and enhanced force protection. Also featuring our MOSA design, P550 enables seamless integration with various third-party payloads, datalinks, and mission planning software. P550 offers unmatched adaptability that allows for reconfiguration in the field in less than five minutes. Weighing under 55 pounds, the P550 is lightweight allowing ease of transport, and with its tool-less quick connect airframe, the UAS can be unboxed and in-flight within 10 minutes.

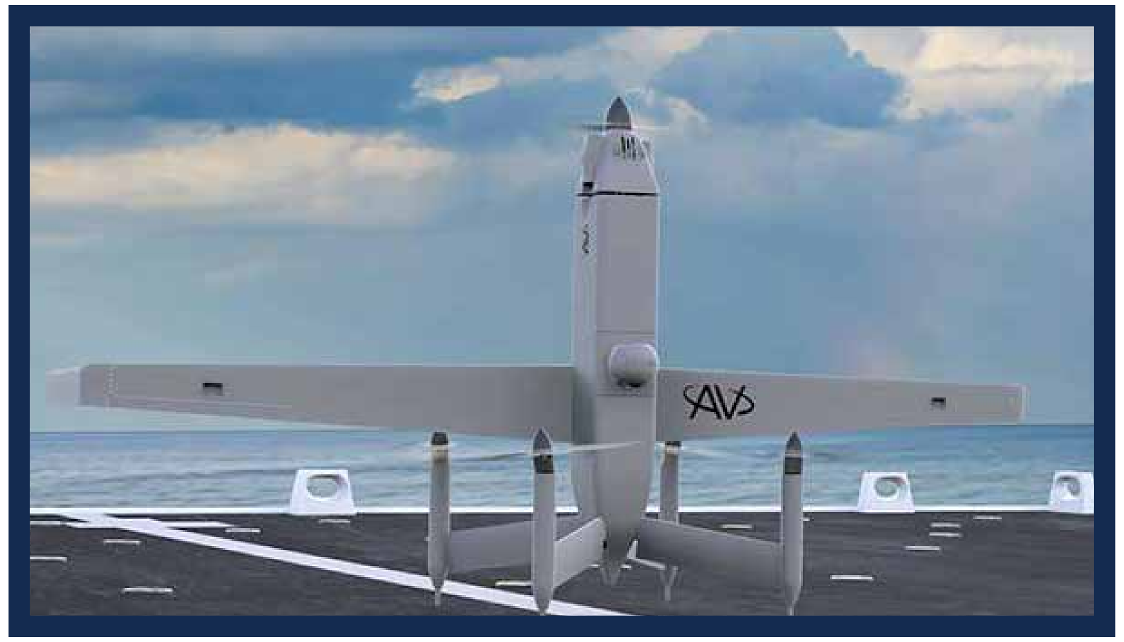
LOITERING MUNITION SYSTEMS

SWITCHBLADE® 300 BLOCK 20:

The Switchblade 300 Block 20 was built to close the gap between observation and action, helping users identify and precisely target threats while minimizing collateral impacts. With its low acoustics and thermal signatures, the Switchblade systems are difficult to detect. And, due to its small size, the self-contained launcher can be deployed in less than two minutes and deliver 20-plus minutes of endurance for tactical reconnaissance, surveillance, and target acquisition (RSTA), as well as precision firepower needed to achieve mission success across multiple domains.

PRODUCT INNOVATION AND SUSTAINABLE SOLUTIONS

MACCREADY WORKS



Wildcat™:

With its compact tail-sitter design, Wildcat is the newest release of our X-Plane design from our novel Group 3 VTOL UAS. Wildcat leverages AV's SPOTR-Edge™ machine learning-enabled computer vision and Visual Precision Landing System (VPLS) to classify and track key objects, supporting mission effectiveness.

With a compact footprint and infrastructure-less launch and recovery system, Wildcat was designed for launch and recovery from Navy ships. These X-Planes are built to operate in high sea states and winds, exceeding program objectives with the ability to quickly cover long distances over sea or land.

AVACORE™ and ARK™:

MacCready Works introduced the Autonomy Retrofit Kit (ARK) and AVACORE software at the end of our fiscal year 2024, delivering a suite of capabilities to autonomous systems. They are designed to increase the effectiveness of autonomous systems and alleviate operator burdens.

AVACORE is our autonomy software, providing an open framework for rapid development and adoption of new autonomous missions. It features a modular set of interfaces including autopilots, radios, sensors, and support integration with new platforms and applications. ARK is a quick-connect payload with single- or multi-agent capabilities such as area surveys, track and follow, overwatch, and more, providing critical advantages to warfighters.

CORPORATE SOCIAL RESPONSIBILITY

Our approach to CSR is built on transparency, accountability, and sustainability. We are committed to ensuring that we build and innovate responsibly, hire talent that reflects our core values, and uphold our high standards of ethical governance. In doing so, we are prioritizing performance and principle.

Our cross-functional CSR Committee continues to lead our corporate social responsibility goals and sustainability objectives. This Committee is led by our Executive VP & Chief Legal and Compliance Officer and Corporate Secretary and is supported by members from Compliance, Marketing, Fulfillment, Environmental Health and Safety (EH&S), and our People and Culture (P&C) teams.

In fiscal year 2025, the Committee continued to evaluate opportunities to improve our operational footprint, including increasing our purchase of renewable energy and opportunities to improve building efficiencies. We also received our first U.S. Green Building Council certification for Leadership in Energy and Environmental Design (LEED) at our Moorpark facilities. Progress and information related to our performance is consolidated at the corporate level and reported on an annual basis through this CSR Report.

In addition to driving goals and initiatives, this Committee monitors the legislative and regulatory landscape for potential changes to disclosure requirements such as those in California and the European Union. As a result, policies and procedures have been established to ensure compliance with applicable local laws and regulations. Finally, our Board's Nominating and Corporate Governance Committee maintains oversight of the Committee, providing guidance and insights where necessary, and to stay informed of latest CSR developments.

> ***"What sets AV apart is the people — there's a genuine sense of purpose and collaboration here. Every day brings something new, and it's energizing to work alongside such passionate teams, knowing the solutions we create are making a real impact for our customers.***

***MELISSA BROWN**, EXECUTIVE VP & CHIEF LEGAL AND COMPLIANCE OFFICER AND CORPORATE SECRETARY*

STAKEHOLDER ENGAGEMENT

Our stakeholders are a critical part of our company, and we strive to maintain a strong relationship with them. We provide opportunities to hear from our employees, customers, stockholders, regulators, and others through a variety of engagements such as in-person meetings, online surveys, teleconferences, and direct communications. For example, throughout fiscal year 2025, we hosted approximately 74 investor meetings and participated in 12 investor conferences and roadshows, connecting with investors 165 times. By encouraging and maintaining an open dialogue, we are better prepared to understand the concerns and priorities of our stakeholders.

~74 Investor Meetings

12 Investor Conferences and Roadshows

165 Investor Interactions

MATERIALITY ASSESSMENT

As environmental, social, and governance topics continue to evolve, our CSR Committee remains dedicated to identifying and responding to these challenges as they arise. We completed a comprehensive materiality assessment in 2023 to help us understand and identify key material topics for our business and stakeholders. The outcomes continue to inform our strategy, ensuring alignment with our overarching business practices, policies, and topics which are addressed within this report. We expect to refresh our materiality assessments on a three- to five-year cycle, maintaining engagement with stakeholders in the interim through various feedback channels.

For more information on stakeholder engagement, visit the Investor Relations section of our website.

BOARD OF DIRECTORS COMPOSITION AND STRUCTURE

AV's Board of Directors (Board) maintains oversight of the evaluation and management of our business operations, including strategy development and execution. To keep the Board informed of progress, our Senior Management team meets with the Board on a regular basis to elevate opportunities, review emerging trends and corresponding technologies, and discuss global developments to drive continuous improvement.

At the end of our fiscal year 2025, the Board was comprised of eight members, seven of whom remained independent, with an average tenure of nearly seven years. Currently, the Board is classified into three classes, with the terms of the various classes expiring at the 2025, 2026 and 2027 annual meetings of stockholders. Under amendments made to AV's Amended & Restated Certificate of Incorporation in October 2024, members of AV's Board will be elected for one-year terms when their current terms expire beginning at the annual meeting of stockholders in 2025. The Board will be completely declassified following the 2027 annual meeting of stockholders.

The Nominating and Corporate Governance Committee is responsible for reviewing and ensuring the appropriate characteristics, skills, and experiences are considered. Through fiscal year 2025, the Board continues to be led by non-independent Chairman of the Board, AV's Chief Executive Officer, Mr. Wahid Nawabi, with support from the current lead independent Director, Mr. Edward R. Muller.

As outlined in our Corporate Governance Guidelines, the Board holds at least four annual meetings throughout the year, with additional special meetings if needed. During these quarterly meetings, the CSR Committee provides updates to the Board to share progress towards goals, initiatives, and emerging trends. Recent CSR topics discussed in Board meetings have related to updated laws and regulations and emerging trends, such as those in Europe and in California.

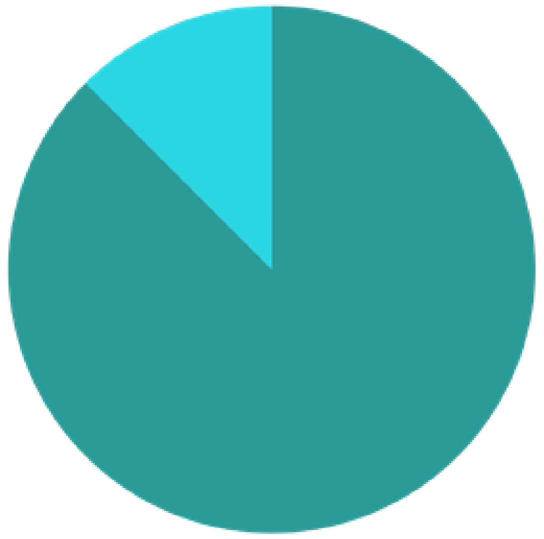
8
MEMBERS

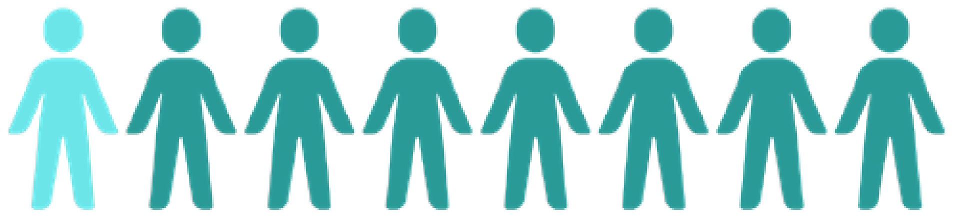
7
INDEPENDENT

7 years
AVG TENURE

FISCAL YEAR 2025 BOARD INDICATORS

Fiscal Year 2025 Board Composition

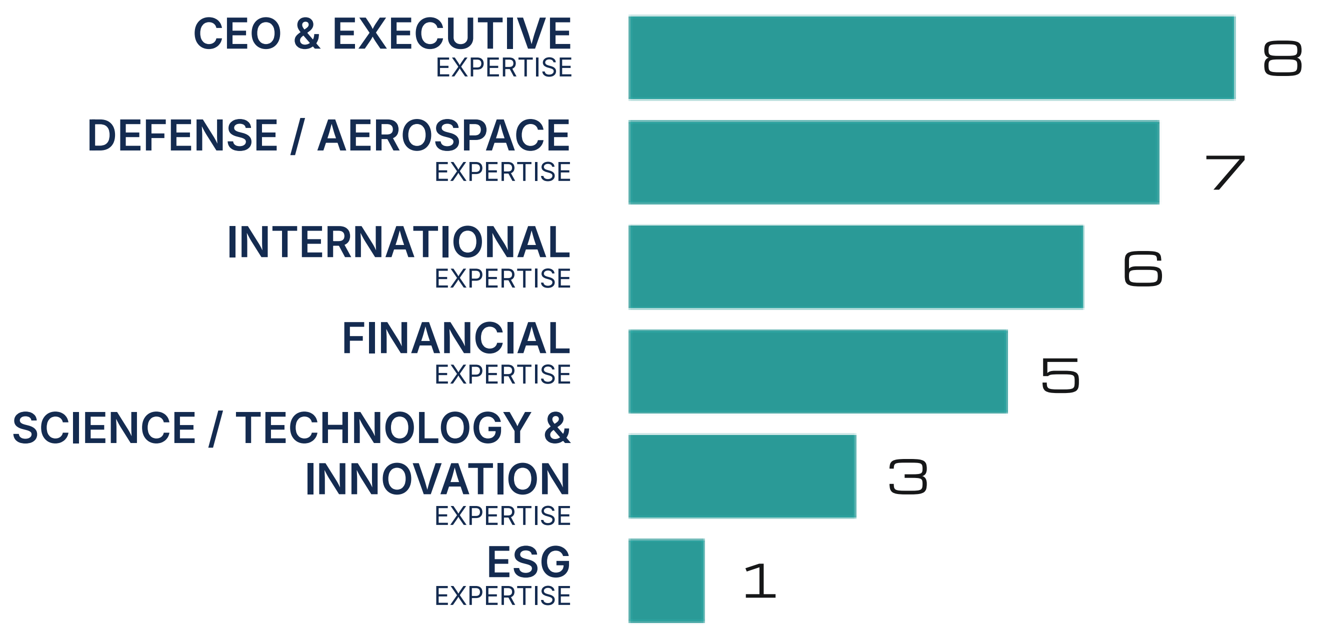




NON-INDEPENDENT
ONE (1)

INDEPENDENT
SEVEN (7)

Fiscal Year 2025 Board Experience



BOARD COMMITTEES

To enhance the effectiveness of our Board, AV maintains five committees:

AUDIT COMMITTEE

The Audit Committee oversees the Company's internal accounting, audit processes, and internal systems of control. This Committee is composed of members who are considered "financial experts" according to the rules of the U.S. SEC. Other responsibilities of the Audit Committee include reviewing company compliance programs covering exports, anti-corruption, and securities law risks.

COMPENSATION COMMITTEE

The Compensation Committee is responsible for the implementation, administration, and evaluation of the compensation plans, policies, and programs of AV's leadership, including the CEO and Directors. This includes the management and review of annual bonuses, long-term incentive compensation, stock options, employee pension and welfare benefit plans, and compensation levels.

EXECUTIVE COMMITTEE

The purpose of the Executive Committee is to exercise the powers of the Board when it is not in session, subject to specific restrictions prescribed within the company bylaws and its charter. This Committee includes at least two members of the Board with the Secretary of the Company serving as the Committee Secretary.

CYBERSECURITY COMMITTEE

Formed in 2023, the Cybersecurity Committee regularly reviews and discusses the Company's overall cybersecurity program, including the review of all policies, plans, and metrics related to data protection risks. The Committee is also responsible for evaluating the effectiveness of the Company's programs and practices for identifying, assessing, mitigating, responding to, and recovering from such risks across the Company's business operations.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

The Nominating and Corporate Governance (NCG) Committee is tasked with identifying new candidates and evaluations of existing Directors. This process includes evaluating and reviewing the risk management strategies and processes pertaining to the corporate governance of the Company. The NCG Committee is also tasked with developing and recommending corporate governance guidelines to the Board, as well as reviewing and recommending revisions to such guidelines on a regular basis. Additional NCG Committee responsibilities include providing guidance and oversight to AV's CSR Committee.

Each committee is composed of and led by

INDEPENDENT DIRECTORS

**with the exception of the Executive Committee*

AV's Strategic Advisory Group (SAG) provides further guidance to our senior leaders in addition to our Board of Directors. SAG is comprised of highly qualified former U.S. DoD members, providing insights on U.S. DoD matters. Members include retired General Officers and Senior Executive Service Members, each bringing decades of experience and contributing unique perspectives and insights to AV.

LEADERSHIP TEAM

We look to our Leadership Team to demonstrate our company culture and values, inspiring loyalty and trust for our employees, as well as customers, investors, and our communities. During fiscal year 2025, the Leadership Team consisted of 16 individuals including our Chief Executive Officer, Chief Financial Officer, General Counsel, and Chief Compliance Officer, and senior executives representing various functions across the company.

The Leadership Team works collaboratively with one another and with our Board to develop and implement strategies across the company, delivering innovative solutions and technologies to new and existing markets. Our Leadership Team also engages with our CSR Committee throughout the year to better understand how current and emerging corporate social responsibility matters that could potentially impact our business operations.

More information on our Board Committees, Strategic Advisory Group, and our Leadership Teams can be found within the Corporate Governance section of our website.

"Our commitment to corporate social responsibility starts with how we lead—with empathy, accountability, and purpose. We're building a culture where every employee feels empowered to make a difference, knowing that our collective actions today will define a better tomorrow."

Archana Nirwan
Chief People Officer

RESPONSIBLE BUSINESS OPERATIONS

We believe that how we work matters just as much as the performance of our products and services. We have established high standards for the conduct of our business operations which apply not only to our directors, leaders, and employees, but also to our customers and stockholders to operate in a responsible and ethical way.

Our governance framework is built to foster trust, accountability, and transparency across all levels of our business including the valuable relationships we have cultivated across our networks. Our policies and procedures outline our expectations for responsible business conduct for employees, contractors, suppliers, and customers. These policies include anti-corruption, conflict minerals, environmental management, quality expectations, trade compliance, and more. We routinely review our policies to ensure they are up-to-date and in line with changing regulations and organizational needs. In many cases these policies are made publicly available, while others are housed internally that contain confidential or business sensitive information.

We also ensure that our employees are properly trained to company standards and expectations. For example, our Trade and Compliance (TC) department and P&C department are responsible for ensuring that all employees, including management, undergo ethics and compliance training sessions relevant to their role and function within the company. Additionally, the TC department conducts internal and external audits throughout the year to ensure we remain in compliance with our own policies as well as those set forth by regulators. The training courses offered to all employees include a variety of topics such as anti-harassment, anti-bribery, cybersecurity, export compliance, and more.

ETHICAL POLICIES & PROCEDURES

- Anti-Corruption Policy
- California Transparency in Supply Chains Act
- Code of Business Conduct & Ethics
- Conflict Minerals Policy
- Corporate Governance Guidelines
- Policy on Employment of Relatives and Individuals in Close Personal Relationships
- Employee Standards of Conduct
- Environmental Policy
- Equal Employee Opportunity and Reasonable Accommodation Policy
- Insider Trading Policy
- Policy Against Harrassment, Discrimination, and Retaliation Purpose
- Trade Compliance Internal Control Plan
- Quality Management System (QMS)

CODE OF BUSINESS CONDUCT AND ETHICS POLICY

Building upon our Core Values of "Trust and Integrity," our Code of Business Conduct and Ethics Policy (Code of Conduct) guides and informs our approach to topics such as conflict of interest, political or government payments, environment, health and safety, harassment, whistleblowing, anti-retaliation, and more. We require that all AV Directors, leaders, and employees review and acknowledge their receipt of our Code of Conduct, confirming their understanding that they are held to such standards. In the same manner, we also expect that our contractors agree to and follow the Code of Conduct.

ANTI-CORRUPTION POLICY

Recognizing the risks and challenges associated with corruption within our industry, we created a stand-alone Anti-Corruption Policy that reinforces our Code of Conduct. The policy is intended to provide clear guidelines and expectations for our employees, directors, and other representatives as it relates to business conduct in line with state, federal, and international laws and regulations. This policy outlines our procedures for handling bribery and kickbacks, as well as the provision of gifts, meals, entertainment, charitable donations, hospitality, and travel. It also addresses charitable contributions outside of the U.S., mandating that any donations be reviewed and approved by our Legal Department. AV does not insert itself in the political affairs of any country, and we prohibit the use of company funds or assets from being used for partisan political purposes. Our registered Political Action Committee, "AV PAC," files reports with the U.S. Federal Election Commission as required by law.

WHISTLEBLOWER SERVICE AND POLICY

We work together as a team, listening attentively, speaking candidly, and treating others with respect. This is the foundation to our core values of Trust and Teamwork. We strive to create a workplace environment that enables and encourages open and honest communication. However, we also understand that in certain circumstances, that may not be appropriate. We host a third-party ethics and compliance hotline service which is available 24 hours a day, seven days a week, and is open to use by all AV stakeholders. This service provides a pathway for our employees, customers, suppliers, stockholders, or other stakeholders to raise concerns or report known or suspected violations of company policies. Individuals who report may choose to make reports anonymously, where legally permissible.

All reports are treated with sensitivity and discretion, and AV makes every effort to maintain the confidentiality of reports to the extent legally possible. In addition, stakeholders can also use the hotline to request information related to company policies and procedures, providing reporters with suggestions and recommendations for how to proceed or even resolve potential conflicts. Anyone who violates company policies or applicable laws or regulations is subject to appropriate discipline, which may include up to termination of employment, contract, or other business relationships. Retaliation against any individual who seeks help or reports known or suspected violations in good faith is strictly prohibited.

ETHICS TRAINING AND COMPLIANCE

To ensure important information and expectations are understood across the company, we host routine training sessions covering critical topics, company policies, and procedures throughout the year. Formats include in-person training, webinars, conferences, and on-demand platforms. In many cases, employees can readily access these courses through our online portal, Workday, allowing us to track and manage the completion of both mandatory and voluntary courses.

AV's Internal Ethics Officer is responsible for the management of our ethics program and policies and is supported by the Board's Audit Committee, our General Counsel and Chief Compliance Officer, as well as our TC department and others. The Legal and Compliance Department maintains a record of all intermediary training and signed Certifications of Completion for up to five years, in compliance with our internal Recordkeeping Policy. The TC department and P&C departments are responsible for ensuring each employee has undergone the appropriate ethics and compliance training specific to their role and function. This may include, but is not limited to anti-bribery, conflict minerals, cybersecurity, export compliance or more. In fiscal year 2025, there were no monetary losses as a result of legal proceedings associated with incidents of corruption, bribery, and/or illicit international trade.

2025 BUSINESS ETHICS TRAINING

> Anti-Bribery and Anti-Corruption
> Anti-Harassment and Anti-Discrimination
> Unconscious Bias Training
> Annual Ethics & Compliance Certifications
> Conflicts of Interest
> Securities Trading
> General Compliance Awareness
> Handling of Confidential and Classified Information
> Trade Compliance Awareness
> Workplace Violence Training
> Cyber Security Bi-Annual Training
> Non-Disclosure Agreement (NDA) Training
> And more

By the end of fiscal year 2025,* 99% *of global employees completed the FY25 Annual Ethics and Reporting Certification.

Additional information on our Policies and Approaches can be found on the Documents and Charters section of our website.

INFORMATION SECURITY AND DATA PRIVACY

As a defense technology company that provides sophisticated products and services to the U.S. and foreign governments, we face a broad range of security threats, including cyberattacks on our infrastructure in an attempt to gain access to our systems and compromise data privacy. These threats have the potential to cause material adverse impacts to our operations, customers, suppliers, and subcontractors. **We have therefore established policies and procedures to mitigate these risks and further reinforce our dedication to data privacy and information security.**

We have additional internal-facing policies and procedures such as our Restricted Party Screening Policy to further reinforce our expectations, and **we require employees to take cybersecurity-related training on a regular basis.** This approach promotes awareness of how to detect, report, and respond to cyber risks and threats. During fiscal year 2025, 98.9% of our employees completed cybersecurity training.

98.9%

OF EMPLOYEES COMPLETED CYBERSECURITY TRAINING

Our Cybersecurity Team proactively evaluates cyber threats and vulnerabilities across our networks and information systems by monitoring our network and systems for intrusions and other suspicious activities. We also recognize that not all cyber threats are external and therefore maintain an Insider Threat program to identify, assess, and address potential risks from within our company. By partnering with third parties such as the U.S. Government, law enforcement agencies, customers, and other defense industry participants, we share and receive information on emerging threats, expanding our cybersecurity knowledge and enhancing global monitoring practices. We also utilize various external partnerships to conduct evaluations of our existing cybersecurity controls through penetration tests and controlled audits of our existing frameworks.

As a result of our use of open-source, commercial, and proprietary intelligence feeds, we have achieved a security rating of "B" from UpGuard, a third-party risk and attack surface management software. We experienced zero data breaches during fiscal year 2025.

DETECTION AND RESPONSE TEAM (DART)

AV's Chief Information Security Officer (CISO) and Director of Global Cybersecurity (Cybersecurity Director) lead our Detection and Response Team (DART), which also includes members from other functions, including IT. This team is responsible for protecting against, detecting, containing, mitigating, and recovering from cybersecurity incidents. While our Cybersecurity Team leads the day-to-day management of the cybersecurity program, the Board of Directors Cybersecurity Committee holds ultimate responsibility for reviewing, discussing, and making recommendations regarding cybersecurity matters.

PRIVACY POLICY

Our Privacy Policy, in conjunction with our Code of Conduct and other business policies, is designed to address our approach to data collection and protection. This policy is written to support our compliance with applicable laws and regulations such as the European Union's General Data Protection Regulation (GDPR) and the California Consumer Privacy Act. Our cybersecurity plans continue to be in alignment with the guidelines from the National Institute of Standards and Technology Special Publication (NIST SP) 800-171 as it relates to the protection and confidentiality of controlled and unclassified information. Additionally, we have maintained our company-wide Cybersecurity Maturity Model Certification 2.0 (CMMC L2) and regularly check alignment of our incident response protocols and procedures with U.S. Government guidelines.

For further information pertaining to our information security and data privacy policies, please visit our website. For additional information on our policies and processes governing interactions of our intermediaries, please contact us.

PRODUCT SALES AND TRADE COMPLIANCE

At AV, we deliver integrated defense technology solutions that create strategic advantages across every domain of modern warfare. We do this in support of the defense of democracy and to protect innocent lives. We remain committed to ensuring that our employees, value chain partners, and customers are mindful of how our products are intended to be used. However, we recognize that there are risks associated with the inappropriate use of our defense technologies, especially if they are sold to malefactors.

TRADE COMPLIANCE DEPARTMENT

EXPORT CONTROL POLICIES

MANDATORY EMPLOYEE TRAINING

We have developed several policies and procedures to mitigate these risks. Internally, our Trade Compliance Team is responsible for ensuring that we remain in compliance with U.S. export laws and regulations, including International Traffic in Arms Regulations (ITAR) and Export Administration Regulations (EAR). This team is also responsible for applying export controls to AV's products and technologies, obtaining and administering licenses, and screening all parties we interact with as an enterprise. We also mandate trade compliance training, and through the end of fiscal year 2025, 97.5% of employees completed these trainings.

97.5%

OF EMPLOYEES COMPLETED MANDATED TRADE COMPLIANCE TRAINING

Our customers are required to adhere to the Arms Export Control Act (AECA), which requires the U.S. Government to conduct End-Use Monitoring (EUM). The EUM process validates that our customers are compliant with approved product uses and strictly prohibits product resale or transfer of ownership without approval from the U.S. Government. Through the Blue Lantern Program, U.S. Department of State conducts a series of pre-license, post-license/pre-shipment, and post-shipment checks. This builds mutual trust and confidence within the defense sector while combating the risk of bad actors within the industry. We have also implemented a series of policies and procedures to validate equipment, such as our Part Identification and Serialization to prevent and minimize counterfeiting of our products. A standard set of Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS) flow downs are automatically included in all Purchase Orders to supplement AV's standard set of Commercial Terms and Conditions and the U.S. Government-required Terms and Conditions. Our purchasing system was most recently re-approved by the Administrative Contracting Officer (ACO) and the Defense Contract Management Agency (DCMA) in 2025.

RESPONSIBLE SUPPLIER PROGRAM

We view our suppliers as an extension of AV; therefore, we expect them to uphold and adhere to the same business practices as our own operations. We are intentional in the way we select and build relationships with suppliers, partnering with those that demonstrate like-minded values and commitments, expertise in their respective fields, and best total cost of acquisition. Over 100 of AV's suppliers are listed as Approved/Premier suppliers within our Verified Vendor List (VVL) tool.

Our Supplier Quality Requirements Manual includes Supplier Quality Management System (QMS), and outlines expectations and guidelines for maintaining business continuity, traceability, environmental requirements, and more. As part of our QMS requirements, suppliers must establish their own environmental policy that is compliant with the ISO 14001 requirements for environmental management. Suppliers are also required to maintain a QMS that is certified to either the latest version of ISO 9001 or aerospace quality management standard of AS9100. As part of our QMS, suppliers are periodically measured based on their performance in critical areas such as on-time delivery, price, and quality, and are then categorized accordingly. We also routinely meet with suppliers to discuss their performance through various forums such as Quarterly Business Reviews. This supplier assessment and evaluation process certifies that our supplier selection process meets expectations set forth by the U.S. FAR, Part 15.

AV's Supply Chain Management Team is responsible for overseeing and monitoring compliance with our Supplier Quality Requirements and Supplier QMS. The team also conducts risk-adjusted trainings for AV buyers according to their role and procurement categories. These trainings typically focus on hardware or software suppliers, focusing on topics such as performance and quality system adherence. The Supply Chain Management Team also manages our online Supplier Portal, providing digital access to our Supplier Manual and other supplier resources such as our standards, philosophy, terms and conditions, logistics and trade compliance, and ethical business requirements.

SUPPLIER MANAGEMENT AND EVALUATIONS

We hold our suppliers to high standards and expect them to uphold our policies and procedures. In order to enforce this expectation, we retain the Right of Entry when doing business with AV. As a result, our suppliers understand they are subject to supplier on-boarding evaluations and potential audits at the request of AV to confirm compliance with our policies and procedures. These audits are based on a risk-adjusted maturity scale that measures quality management, supplier certifications, and supplier capabilities. In fiscal year 2025, we managed and maintained a VVL of suppliers covering 23 commodities. Additionally, we conducted capability assessments of approximately 290 suppliers, expanding and improving our supply chain diversification.

23
COMMODITIES COVERED

~290
CAPABILITY ASSESSMENTS

More information on our supplier expectations and requirements can be found on the Suppliers section of our website.

CONFLICT MINERALS

As producers of technologically advanced multi-domain robotic systems and related services, the use of tantalum, tin, tungsten, and gold (3TG) is necessary for the manufacturing of our products. While our direct operations are several steps away from the mining process, we are committed to establishing strong management systems regarding conflict minerals that is aligned with the framework in The Organisation of Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and the related Supplements for 3TG, including countries such as the Democratic Republic of Congo (DRC) or any of the adjoining countries.

While nearly 99% of our raw materials are sourced domestically in the U.S., we continue to include our Conflict Minerals Policy in our supplier agreements, and have employed a stringent supplier due diligence process. Our Conflict Minerals Policy includes details of our compliance program and the expectation of our direct suppliers to provide information necessary to understand the risk for conflict minerals contained in the components and materials supplied to us. For all of our suppliers we require a reasonable country of origin inquiry (RCOI) and a review of the source and chain or custody of any purchased 3TG minerals in question to determine and confirm in good faith that our products remain DRC Conflict Free. Through the Responsible Minerals Initiative (RMI), we utilize third party agencies to complete audits of smelters and refiners and provide an annual compliance scorecard to our 3TG suppliers.

AV's Conflict Minerals Compliance Team, supported by our General Counsel and Chief Compliance Officer, is ultimately responsible for implementing our conflict minerals compliance strategy and briefing senior management about due diligence efforts and results periodically. To read further details about our Conflict Minerals due diligence process, please review our Conflict Minerals Report, developed in compliance with the SEC's Dodd-Frank Wall Street Reform and Consumer Protection Act.

PRODUCT QUALITY AND SAFETY

The AV brand and reputation are built upon our core values of Trust and Teamwork, Customer Commitment, Ownership and Results, and Innovate and Simplify. We take great care to ensure the quality and safety of our products meet our customers' expectations and their needs. As part of our QMS system, training on product safety and security is conducted on an annual basis to our employees, with certain employees receiving additional specific certifications or enhanced trainings relevant to their roles. Our Continuous Improvement team is trained in Six Sigma, which enhances skills to identify and implement process efficiency improvements, optimization, and waste reduction opportunities. Utilizing these programs, our employees are equipped with the necessary knowledge and skills to deliver exceptional products that uphold our strong reputation.

We maintain several programs to help guide the safe manufacturing of our products including our Airworthiness Process and Quality Assurance Programs, Safety Engineering Process Procedures, Safety Design Guidelines, Lifecycle Policy Guidelines, and a Product Development Framework. Our quality management system remains certified to the ISO-9001:2015 and AS9100D standards across our five locations in California and Massachusetts. We continue to meet or exceed the requirements for these certifications through regular audits performed by accredited third party registrars. In addition, our sites undergo internal QMS audits on a rotating basis. In fiscal year 2025, we completed three of these internal site audits, with four more scheduled for fiscal year 2026. Finally, we undergo process audits on random build processes in production, focusing on ensuring our quality and safety expectations are met.We take great pride in our quality system processes that are known to regularly surpass industry standards which help us continue to deliver high-quality products.

QUALITY MANAGEMENT SYSTEM PROTOCOLS

> Safety Engineering Process Procedure
> Engineering Product Development Process
> Safety Design Guidelines
> System Safety Program Plan
> AV Product Development Framework
> Airworthiness (AW) Process
> Product Lifecycle Policy

SUPPLY CHAIN DIVERSIFICATION

We maintain an extensive supplier network, targeting suppliers who are aligned with AV's Core Values and Purpose. For AV, suppliers represent a unique opportunity for us to enhance innovation, improve product quality, and reduce overall cost, while strengthening our commitments to safety and sustainability.

Our Small Business Participation Plan, underpinned by our Small Business Subcontract Policy, continues to support our increasing engagement with small businesses, including those owned by disadvantaged individuals, women, veterans, and disabled veterans. However, we remain committed to broadening our supply base while maintaining fair competition, driving innovation, and supporting local economies. We continue to provide equal opportunities for new and existing suppliers to expand our supplier base and compete for procurement contracts.

INVESTMENT IN DIVERSE SUPPLIERS

$214M	$8.9M	$1.3M
spent with small business suppliers	spent with minority-owned suppliers	spent with female-owned suppliers

CUSTOMER TRAINING AND SAFETY

To help us build and retain the relationship with our customers, we provide comprehensive support and training to our customers regarding the safe use and operation of our products. Our training courses include simulator-focused mission scenarios that provide real-world digital experiences as well as practical hands-on exercises. Training is also available for mission planning and live unmanned operations that take place in a controlled environment. Each product has an operator manual or user guide to supplement the trainings with further detail on proper use of our products.

Our employees work diligently to reinforce customer safety as a top priority. For on-site customer support, our Field Service Representatives act as the liaison between customers and the AV engineering teams to address any questions or concerns with our products. Our customer support services also include program management and subject matter expert support, as requested. Furthermore, our Intelligence, Surveillance, and Reconnaissance (ISR) is available 24 hours a day to support customers who are facing urgent demands.

INDUSTRY CERTIFICATION

We continued to maintain our ISO 9001:2015 and AS9100D certifications throughout fiscal year 2025, demonstrating our commitment to providing top-tier quality management systems to our customers as we continue to improve customer loyalty and satisfaction. Throughout the year, we request customer feedback through surveys and the Contact Us section of our website. The information we receive helps us analyze and improve our products and training programs to best suit our customers' needs. In fiscal year 2025, our Customer Satisfaction (CSAT) response was 94%, and our Average Resolution Time (ART) was 16 days. We also began tracking our Escalation Rate, the number of escalated general inquiry cases divided by the total number of interactions multiplied by 100, which was 1% in fiscal year 2025.

CUSTOMER SERVICE KEY PERFORMANCE INDICATORS

CUSTOMER SATISFACTION (CSAT)

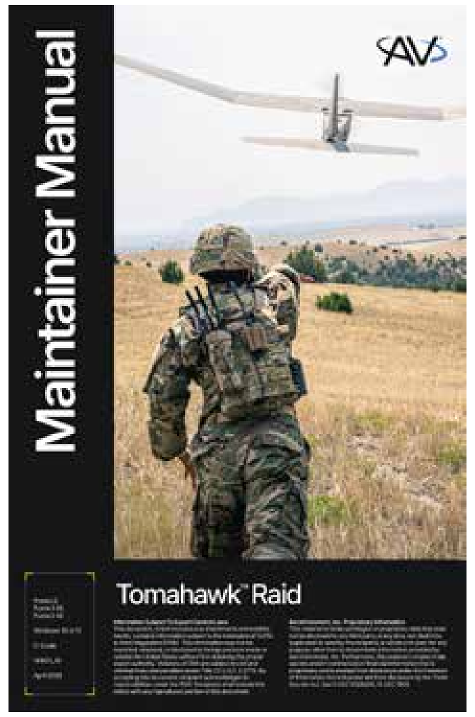
Evaluates service experience using Customer Support, Warranty, training survey responses, and more

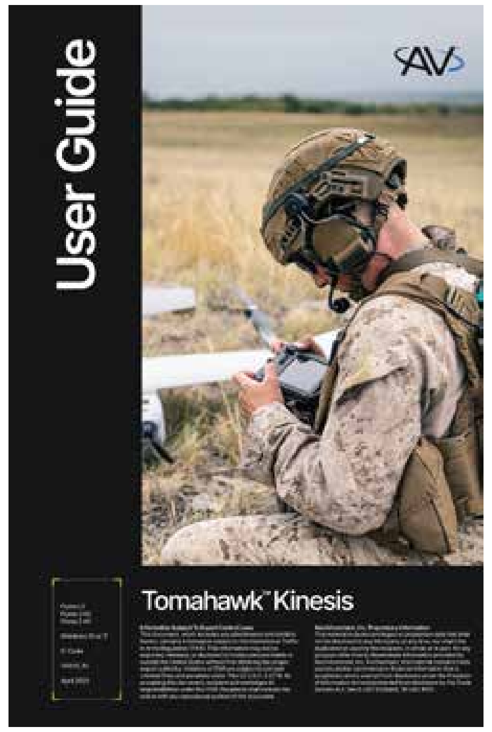
FIRST CONTACT RESOLUTION (FCR)

Evaluates effectiveness of first customer contact through Customer Service channels

AVERAGE RESOLUTION TIME (ART)

Monitors average resolution times through Customer Service



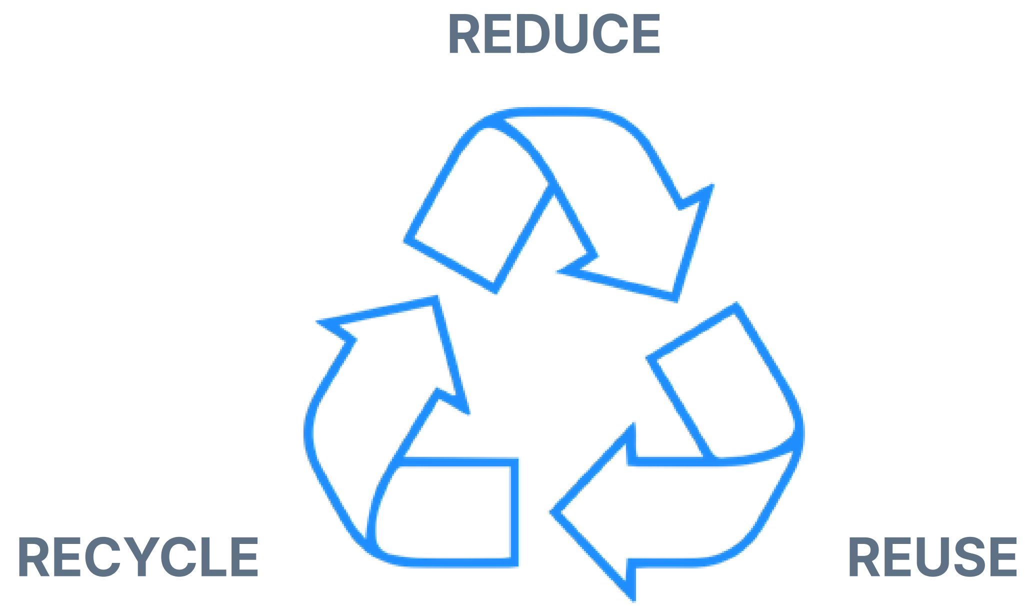


ENVIRONMENTAL MANAGEMENT

AV is committed to sustainable innovation, backed by strong environmental management and sound environmental practices that mitigate pollution and protect the environment in which we operate. We firmly believe that sustainable practices yield beneficial business results such as strong financial performance, customer loyalty, and positive employee engagement. Sustainable operations also contribute to the preservation and protection of communities where we work, live, and operate, and help deepen our relationships with those communities.

Our Environmental Policy details our approach to environmental management, including important topics such as resource conservation, energy efficiency, and pollution prevention. Compliance requirements for applicable permits, laws, and regulations are outlined within this policy, highlighting our accreditations for environmental management such as our ISO 14001 certification.

To ensure ongoing compliance with our internal policies and regulatory requirements, we conduct both internal and external audits throughout the year. We remain vigilant in continuously monitoring, evaluating, and preparing for any potential changes to regulatory disclosure requirements to ensure timely compliance.



AV'S SUSTAINABILITY COMMITMENT

> Comply with environmental regulations
> Conduct operations in an environmentally sound manner to prevent pollution
> Apply the principles of reduce, reuse, and recycle in all processes
> Promote environmental responsibility among our employees
> Strive to ensure that suppliers agree to comply with environmental regulations
> Clearly communicate AV's environmental policy, practices, and impact to interested parties
> Pursue continuous improvement in our environmental performance
> Train, educate, and inform our employees about environmental issues that may affect their work
> Avoid unnecessary use of hazardous materials and products, seek substitutions when feasible, and take all reasonable steps to protect human healtha nd the environment when such materials must be used, stored, and disposed of
> Purchase and use environmentally responsible products accordingly

For more information, please read our Environmental Policy.

ENERGY EFFICIENCY AND GREENHOUSE GAS EMISSIONS

EFFICIENCY IN OUR PORTFOLIO

The innovative spirit of Dr. Paul B. MacCready, Jr., continues to inspire AV as we strive to achieve the impossible. By incorporating sustainability into all aspects of our organization – from the initial stages of product research and development to final product creation – we ensure our solutions not only push the boundaries of innovation but also support a more sustainable future.

We continue to seek out opportunities to incorporate energy efficiency throughout our portfolio to offer solutions capable of enduring some of the harshest known environments on our planet and beyond. We continue to design innovative, lower carbon, zero-emission systems, supporting our customers in achieving mission success while mitigating their environmental impact.

To maintain the safety and security of equipment operators, we continue to incorporate advanced communication technologies to increase the operational distance needed between personnel and equipment. As one of the largest electric uncrewed aircraft systems manufacturers in the world, we leverage our expertise to push boundaries and unlock new possibilities for both our people and planet. We take great pride in our long-standing history of the MacCready Works Advanced Solution team as they remain steadfast in their commitment to deliver solutions that push the limits of modern technology. Today, roughly 90% of our product portfolio's revenue is from battery-powered equipment.

"There is that great aerial highway that's always ready to go, you don't have to pave it and the benefits are great."

Dr. Paul B. MacCready, Jr.

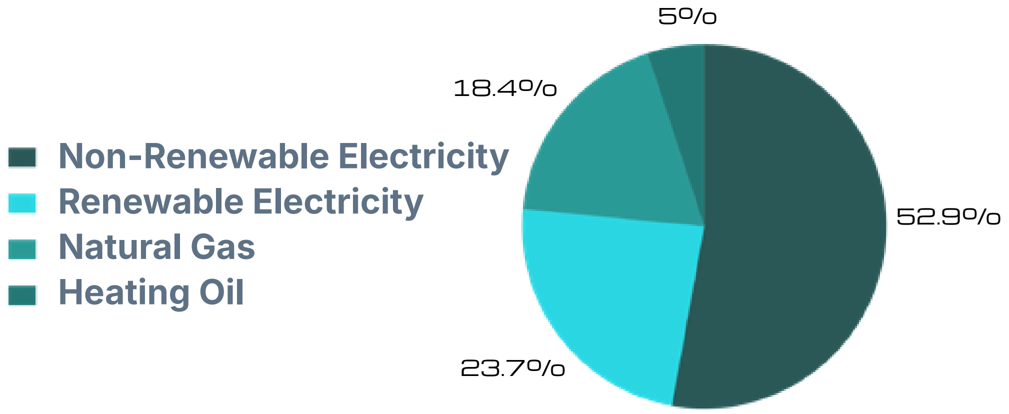
EFFICIENCY IN OUR OPERATIONS

We remain committed to continuous improvement and sustainable innovation, not only in our products, but across every aspect of our business model. As part of this commitment, energy efficiency remains a critical component of our operational success.

As we continue to explore energy efficiency opportunities within our operations, we are focused on identifying and selecting initiatives that enable us to generate the most impact while aligning with our company values. In fiscal year 2025, we consumed nearly 9,480,000 kilowatt hours (kWh) of energy, an increase of about 4.7% compared to our previous year. This increase is largely due to growth accross our business, especially within the U.S. However, we remain committed to pursuing energy efficiency and expanding our use of renewable energy. For example, we replaced fluorescent lighting with energy-efficient LED fixtures throughout several facilities in fiscal year 2025. Additionally, we are proud to announce that our Princeton facility, based out of our Moorpark location, achieved a Silver LEED Certification, meeting specific standards for sustainability and environmental performance.

Around 78% of our fiscal year 2025 energy came from purchased electricity, equating to roughly 7,383,000 kWh. Nearly 24% of our total energy mix came from renewable energy which was backed by Power Purchase Agreements (PPAs), which represents approximately 30% of our total electricity purchased during the fiscal year. The remainder of our energy demand was satisfied using heated oil and natural gas.

Fiscal Year 2025 Energy Mix



AV's locations in California account for more than 85.1% of our available global energy consumption. These locations leverage their relationship with Clean Power Alliance which extracts energy from renewable sources. To guarantee that a specific percentage of our energy is obtained from renewable sources, we pay a premium to our energy providers. In turn, this program promotes increasing avaliability of renewable energy in the region.

WATER AND WASTE

WATER

Water availability is a critical component of our operations. At AV, we recognize the importance of preserving this vital resource and understand that water availability and reliability are key concerns for many of our stakeholders. While our operations and products are not considered to be water intensive, we remain committed to evaluating and monitoring our water-related impacts and ensuring environmental compliance and responsible use.

Water use at our production and office facilities is used primarily for hygienic purposes, and we maintain our “No Exposure Certificate” with both local and federal Environmental Protection Agency (EPA) authorities in the U.S. We are unable to accurately track and report water withdrawals and consumption at several of our offices and facilities, as these locations are leased and water usage is typically included within the lease agreements. To maintain transparency where feasible, we actively track and report water-related metrics across our production facilities. In fiscal year 2025, water withdrawals totaled approximately 14,700 cubic meters (m^3).

In addition to hygienic use, several of our sites also use water for landscaping purposes. We conduct third-party inspections of our landscaping systems on a weekly basis to confirm that all irrigation is operating efficiently. Our Facilities Preventative Maintenance team also conducts monthly inspections of our irrigation systems to ensure we meet regulatory compliance requirements, such as various initiatives and regulations in California that encourage landscape water use reductions.

The monitoring of water-related pollution and contamination concerns falls within our Environmental, Health, and Safety program. Through this program we conduct regular reviews of best practices and regulatory requirements published by local, state, and federal authorities to verify that our operations remain within compliance and do not negatively impact the communities in which we operate. Our general safety training program is provided to all employees on an annual basis and includes trainings on various water topics such as discharge. Failure to comply with AV’s Environmental, Health, and Safety standards or regulations may lead to disciplinary actions, up to and including termination.

WASTE

We are proud to maintain a comprehensive waste management program that ensures ongoing compliance with applicable regulations and internal waste management standards. All of our employees complete waste management and hazardous materials trainings as part of our Environmental, Health, and Safety Program. These trainings cover a variety of materials including but not limited to aerosols, e-waste, batteries, and waste oil. All materials that cannot be recycled or reused are disposed of in compliance with local and federal regulations.

Our additional policies and procedures such as our Chemical Hygiene Plan, Hazardous Material Management Plan, and Hazard Communication Program support and reinforce our dedication to proper waste management. We routinely conduct audits of our facilities in line with various waste programs such as those administered by California’s Certified Unified Program Agencies (CUPA) to verify all applicable legal requirements are met. In addition, we perform weekly inspections of our hazardous waste to confirm it is properly stored, labeled, and prepared for disposal. Waste metrics are not currently collected at the corporate level. We are pleased that there were no reportable spills in the fiscal year 2025.

Responsible waste handling and disposal is an important aspect of our environmental management approach and is highlighted within our Environmental Policy. We aim to minimize waste generation through practices such as source reduction, targeted recycling efforts, and educating our employees on environmentally responsible ways to handle and dispose of waste. Key initiatives of our responsible waste management program include:

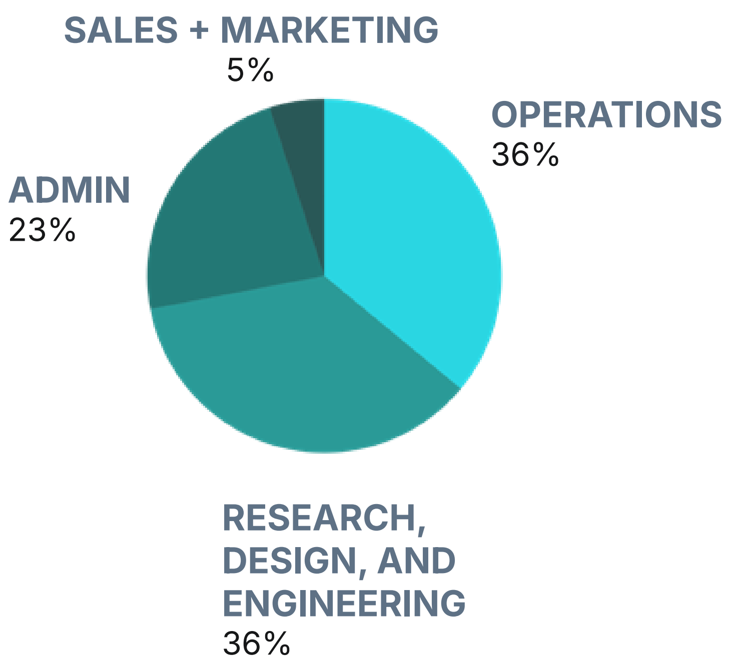
> Diverting batteries, lightbulbs, and coolants from hazardous and universal waste streams.
> Piloting new food waste reduction initiatives such as implementing onsite composting, distributing food-specific containers, and making recycling bins available to all employees.
> Continuing our established electronic waste (e-waste) recycling programs in California, which focus on salvaging usable components from obsolete technology.
> Donating the revenue from the waste recycling program at our Simi Valley and Moorpark locations to the Simi Valley Education Foundation, a non-profit organization dedicated to providing supplemental educational resources to Simi Valley public schools.

Innovative collaborators thrive at AV. It is why our team of dedicated employees continue to push the boundaries and innovate future-defining technologies. Our employees consistently express that they feel welcomed, are free to be themselves, and are cared for by their colleagues – a true testament to the culture we have intentionally built based on the principles of authenticity, innovation, and open communication.

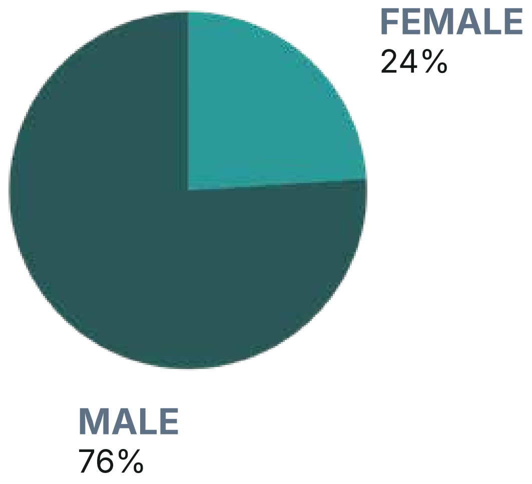
Our global workforce expanded throughout fiscal year 2025, bringing our total headcount of our team of more than 1,470 employees. We onboarded nearly 270 new employees, allowing us to grow by more than 3.8%, replacing those who were terminated or retired.

FISCAL YEAR 2025 WORKFORCE DEMOGRAPHIC DATA

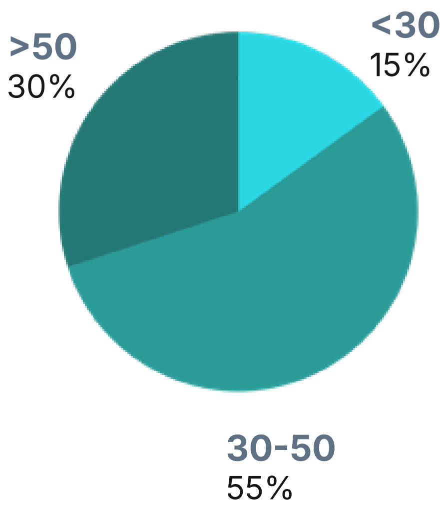
WORKFORCE by FUNCTION



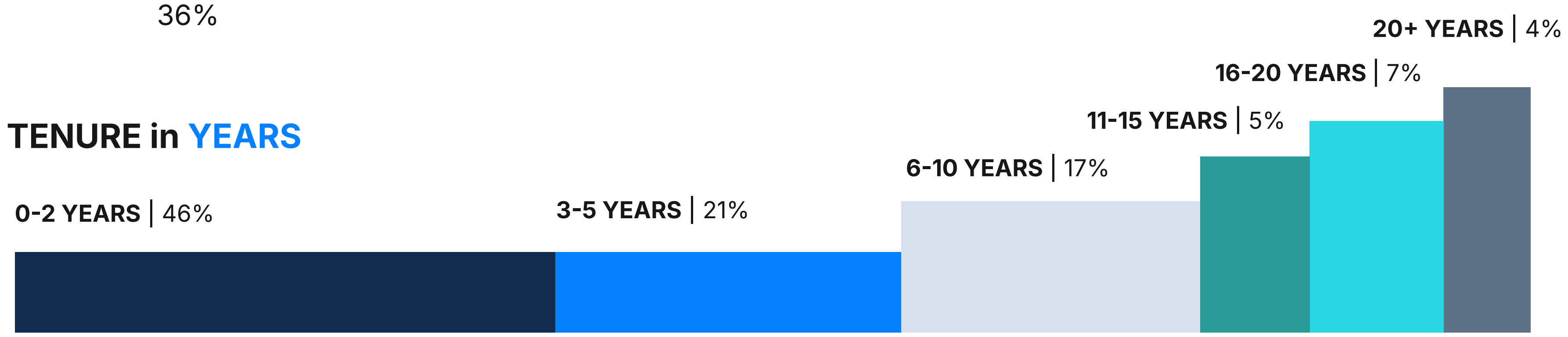
WORKFORCE by GENDER



WORKFORCE by AGE



TENURE in YEARS



LABOR PRACTICES

AV remains committed to upholding and promoting fair employment practices across our operations and throughout our value chain. Our labor policies and practices are designed to meet, and in many cases exceed, local labor and employment laws in the areas in which we operate. This includes laws relating to forced labor and modern slavery, wages, hiring practices, and more. We support all employees' right to exercise freedom of association and respect those who want to be represented by a collective bargaining unit. We do not have any operations in countries in which the right to exercise freedom of association is at risk.

Each of our employees receives comprehensive onboarding training, which includes an introduction to our company policies such as our Code of Conduct, Anti-Discrimination Policy, Privacy Policy, and benefits and training opportunities. In addition, employees must participate in general and job-specific trainings to ensure they remain aware of current business practices and expectations.

In addition to the care and consideration we take to ensure our own workforce is treated fairly, we also require each of our suppliers to obey applicable laws and regulations regarding the treatment of their own employees. We require that all suppliers provide a safe and healthy workplace environment for their employees, and to the best of our knowledge, we do not conduct business with suppliers who engage in modern slavery, including forced or child labor. AV will investigate any reports alleging human trafficking, forced labor, or slavery in our supply chain and will take swift and decisive action against any supplier that is found to act improperly in this regard. To ensure compliance with applicable laws and our own contractual expectations, we employ third parties to conduct these audits.

We prioritize creating a culture of safety, trust, and teamwork within our operations and beyond. We encourage our employees to speak up for one another, taking accountability for our actions. While we aspire to have open communication, we understand that it may not be feasible in all situations. As previously described, we maintain our Ethics and Compliance Hotline for employees and stakeholders to raise concerns anonymously, without fear of retaliation. Failure to comply with AV's policies and procedures, as well as applicable laws and regulations, may lead to disciplinary actions, including employment or contract termination.

ENVIRONMENTAL, HEALTH, AND SAFETY

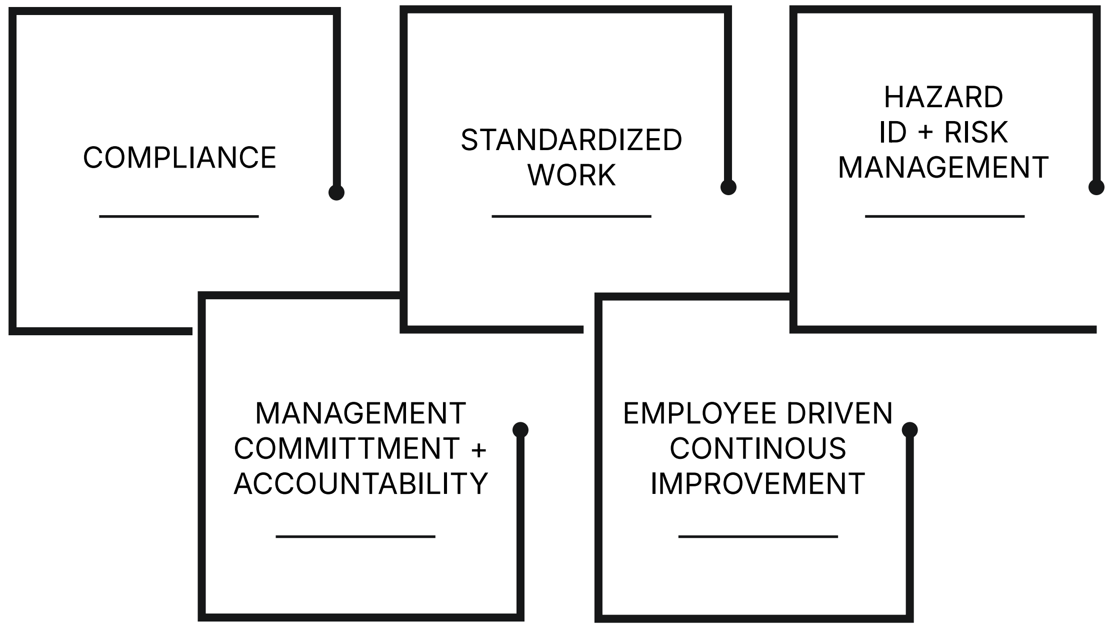
For AV, our purpose is to secure lives and advance sustainability, but safety remains our mission. We embed EH&S practices into our daily operations, fostering a culture that prioritizes safe and healthy working conditions for our workforce, suppliers, and our customers.

Our Environmental, Health, and Safety Management System is founded on five core pillars: Compliance, Standardized Work, Hazard Identification and Risk Management, Management Commitment and Accountability, and Employee Driven Continuous Improvement. We reinforce these five pillars throughout our entire organization and continuously evaluate all potential health and safety risks within our operations.

Our Manager of Environmental, Health, and Safety maintains ultimate responsibility for reviewing and implementing our safety policies, programs, and trainings to consistently ensure they are aligned with our company’s core values.

SAFETY POLICIES AND INITIATIVES

We take pride in cultivating a safe working environment. This is evident in our policies and practices, and according to recent employee engagement survey results, 96% of employees indicated that AV is a physically safe place to work. Employee feedback is an essential aspect of promoting the safety and security of our workforce. Employees are given direct channels to share ideas, ask for guidance or clarification, and report any concerns they may have, especially as it relates to on-the-job safety. When safety feedback is received from our employees, it is thoroughly reviewed and addressed, taking appropriate actions when necessary.



GLOBAL SAFETY PROGRAMS

> Hazard Communication Program
> Hazardous Material Handling
> Labeling
> Safety Data Sheets
> Personal Protective Equipment
> Machine Guarding
> Lockout/Tagout
> Material Cutting, Welding, Brazing
> Laser Safety
> Bloodborne Pathogens
> Confined Spaces
> Department of Transportation (DOT) Compliance
> Emergency Response
> Ergonomics
> Explosives Safety
> Respiratory Protection
> Chemical Hygiene
> Heat Illness Prevention
> Low Voltage Electrical Safety

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

SAFETY POLICIES AND INITIATIVES

Our Injury and Illness Prevention Program (IIPP) remains in place to protect the safety of our workforce, covering all on-site and off-site employees, as well as contractors and temporary employees who perform company work or are working on our behalf. We designed our policies to comply with applicable laws and regulations, and we have embedded elements of various legal requirements such as the U.S. Occupational Safety and Health Administration (OSHA), U.S. DOT, and U.S. Safer Federal Workforce Task Force. In an effort to increase employee awareness of these safety policies and programs, we routinely host formal training sessions. For fiscal year 2025, an average of 120 minutes of safety training per employee was completed.

Our commitment to EH&S is further demonstrated by the number of permits, certifications, and licenses the company holds. These include ISO 14001, several Certified Unified Program Agencies (CUPA) hazardous waste permits, U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Explosives and Firearms licenses, DOT Unified Carrier Registration, and more. We are subject to safety audits and inspections throughout the year which help to identify improvement opportunities and potential risks. In the event of an incident, a root-cause investigation is conducted to identify and implement corrective actions. This past year, our sites underwent nine audits to address topics such as environment, health, safety, and compliance. These audits were conducted by third party auditors or internal subject matter experts.

INJURY AND ILLNESS PREVENTION PROGRAM

> HEALTH & SAFETY POLICY
> ROLES & RESPONSIBILITIES
> INCIDENT REPORTING & INVESTIGATION
> INSPECTION & RECORDS
> HEALTH SURVEILLANCE
> SAFETY PROCEDURES
> EMERGENCY PROCEDURES
> SUPPORTING FORMS & CHECKLISTS
> HAZARD ASSESSMENT
> HAZARD CORRECTION
> TRAINING
> RECORDS
> REWARDS, ENFORCEMENT, DISCIPLINARY POLICY, AND PROCEDURES

EHS POLICIES

> CHEMICAL HYGIENE PLAN
> CONTRACTOR SAFETY GUIDE
> EHS RECORDS RETENTION
> ELECTRICAL SAFETY
> EMERGENCY ACTION PLAN
> ENVIRONMENTAL COMMITMENT
> ERGONOMIC
> EXPLOSIVES SAFETY
> EXPOSURE CONTROL
> FIRE EXTINGUISHER
> HAZARD COMMUNICATION
> HAZARDOUS MATERIALS MANAGEMENT
> HEAT ILLNESS PREVENTION POLICY AND PLAN
> HOT WORK
> LASER SAFETY MANUAL AND PROGRAM
> AND MORE

PERMITTING

> VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT PERMITTING
> BAY AREA AIR QUALITY MANAGEMENT DISTRICT PERMITTING
> VENTURA COUNTY CUPA (HAZARDOUS WASTE) PERMITTING
> SONOMA COUNTY CUPA (HAZARDOUS WASTE) PERMITTING
> VENTURA COUNTY FIRE DEPARTMENT EXPLOSIVES PERMITTING
> SONOMA COUNTY FIRE DEPARTMENT SPRAYING/DRIPPING PERMITTING
> DOSH AIR PRESSURE TANK PERMITTING
> AND MORE

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HEALTH, SAFETY, AND COMPLIANCE AUDITS CONDUCTED

2025 CERTIFICATIONS

> ISO 14001
> ATF EXPLOSIVES LICENSING
> ATF FIREARMS LICENSING
> CA STATE WATERBOARD NECS
> DOT UNIFIED CARRIER REGISTRATION

BENEFITS AND COMPENSATION

Our people are the foundation of our success, and we take great care to ensure they are supported. During our fiscal year 2025 survey, 91% of our employees said they feel a sense of pride and are proud to tell others they work here. We believe that this is because we are not only focused on their physical health and safety, but their emotional, mental, and financial well-being as well. In doing so, we remove obstacles to unlock new innovations, create a more engaged workforce, and attract a talent pipeline for future success.

We review our benefits and salary packages on a regular basis, ensuring they are competitively aligned with industry best practices. The base pay of our employees is also considered during their annual Compensation Review, where each employee reviews and calibrates their performance with their managers to identify and discuss growth opportunities. The outcomes of these reviews inform personalized merit increases. Our annual incentive bonus program is available to all full- and part-time AV employees, and we provide additional financial tools within our benefits package to help our employees build their wealth, protect their most valuable assets, and plan for retirement.

> ***"91% of our employees said they feel a sense of pride and are proud to tell others they work here."***

We also encourage our employees to take advantage of the opportunities we offer to refine and expand their skill sets. We offer an Educational Assistance Program (EAP) and Tuition Assistance Programs, through which our full-time employees are eligible for reimbursement for undergraduate and graduate coursework, certificate programs, and non-degree programs. By supporting and investing in their continuous improvement, our employees continue to expand their potential and create lasting, unique career paths within AV.

Additional information regarding employee benefits can be found on the Benefits and Compensation section of our website. Our Proxy Statement is available in the Financial Information section of our website.

The Executive Leadership Team's compensation packages are reviewed annually by the Compensation Committee of the Board of Directors with support from an independent consultant. Information regarding executive compensation of our CEO and Named Executive Officers (NEO) is published in our annual Proxy Statement (DEF 14A) as required by the SEC. The annual Proxy Statement also includes information regarding incentive details and our Clawback Policy. In fiscal year 2025, the annual total compensation ratio of median employee to CEO was 67:1.

Our healthcare benefits include medical, dental, hearing, and vision insurance plans that meet or exceed legal obligations in the U.S. and abroad. To ensure our employees are informed and can make the most of the benefits and wellness offerings currently available to them, we offer monthly online benefits question and answer (Q&A) sessions, as well as virtual office hours during the third Wednesday of every month.

We appreciate and respect a healthy work-life balance and provide various options for our employees to prioritize their mental health. In addition to paid time off, our U.S.-based employees are able to utilize our alternative work schedule, where employees work their normal 80 hours over the course of nine days instead of the more traditional 10-day period. We believe that by encouraging our employees to take time off, we are promoting a stronger and healthier workforce.

67:1

FY2025 TOTAL COMPENSATION RATIO OF CEO TO MEDIAN EMPLOYEE

EMPLOYEE RETENTION

We believe that attracting, developing, and retaining top talent across all roles is another critical aspect to our success. Our programs are thoughtfully designed to attract new talent while retaining and supporting our current employees through engagement and growth opportunities.

We are proud to report that more than a quarter of our workforce has been with AV for six or more years, a reflection on our dedication to our existing employees' career development and overall well-being. As part of our benefits package, our employees have access to and are encouraged to participate in a number of initiatives, including our Educational Assistance Program (EAP). We also provide employees and their families with mental health support, dedicated counseling services, and more.

Employee benefits also include travel assistance that can help with emergency services such as baggage assistance, document replacement, and interpreter services. For our workers with electric vehicles, we provide free workplace charging stations to our employees and guests at our Simi Valley and Moorpark locations. In times of need, we allow sick leave donations in which case employees may choose to donate their own sick leave hours to another employee who has exhausted their balance of accrued vacation and sick leave, truly reflecting our commitment to support and care for one another.

EMPLOYEE BENEFITS AND WELLNESS OFFERINGS

WORK / LIFE

- ALTERNATIVE WORK SCHEDULE
- EDUCATION AND TUITION
- ASSISTANCE PROGRAMS
- EMPLOYEE ASSISTANCE PROGRAM
- TRAVEL ASSISTANCE

ADDITIONAL BENEFITS AND PROGRAMS

- BRAVO! EMPLOYEE RECOGNITION PROGRAM
- COMPANY SPONSORED EVENTS
- EMPLOYEE DISCOUNTS
- EMPLOYEE REFERRAL PROGRAM

HEALTH

- MEDICAL
- DENTAL
- MEDICAL AND PRESCRIPTION DRUGS
- TELADOC
- VISION
- WELLNESS

WELLNESS / INCOME

- 401K
- ACCIDENT PLAN
- CRITICAL ILLNESS PLAN
- DISABILITY INSURANCE
- IDENTITY THEFT
- LIFE AND AD&D INSURANCE

Benefits presented above are representative of the benefits offered to our U.S.-based employees and may not exist in all locations. For more information about our benefits, please visit the benefits section of our website.

BRAVO! EMPLOYEE RECOGNITION PROGRAM

The BRAVO! Recognition Reward Program allows us to recognize and celebrate significant achievements, contributions, and milestones across the company through financial incentives ranging from $25 to $250. This program continues to help us foster a culture of appreciation and gratitude for one another, boosting morale and motivating our employees while reinforcing our company values and goals.

EMPLOYEE DEVELOPMENT

We provide a range of training and development opportunities to support our employees' personal and professional growth, which in turn strengthens AV's overall workforce capabilities.

In addition to our Tuition Assistance Program, we also offer Professional Development and Mentorship Programs. Our Professional Development Program provides opportunities for employees to attend business-related trainings, conferences, and seminars to expand their knowledge and improve their professional presence. Our Mentorship Program pairs AV employees together, building meaningful relationships while also expanding personal and professional networks. These programs enable our employees to develop new skills and perspectives that may not otherwise be available to them.

In addition to external opportunities, we offer a number of training modules and resources through our digital portal in a self-paced format. This allows our employees to further develop and grow their skills over time, enhancing their professional development at their own pace. The courses cover a wide range of topics including leadership development, people management, regulatory and policy compliance, functional skills, and more. ***At the end of calendar year 2024, our employees completed more than 44,000 courses totaling 26,500 training hours – an average of roughly 18.7 hours per employee in both voluntary and mandatory trainings.***

AV continues to provide career and personal development initiatives. We host a number of initiatives and programs that enable connection to like-minded employees through networking and mentorship opportunities.

SPARK: IGNITING POTENTIAL ILLUMINATING POSSIBILITIES

AV's SPARK program focuses on empowering a community of leaders. Designed to support our employees develop and enhance their leadership skills, the program is comprised of a comprehensive series of workshops, assessments, coaching, and mentoring.

FRANKLINCOVEY LEADERSHIP FOUNDATION

We continue to partner with FranklinCovey as we train our current and future leaders on The 6 Critical Practices of Leading a Team™. This program reinforces our commitment to fostering a culture of leadership and accountability in all areas of our organization. Currently 100% of our people managers are active in the program.

EXAMPLES OF DIGITAL COURSES

> GET SMARTER WITH GOALS

> 8 KEYS TO A MORE RESPECTFUL WORKPLACE

> WORKING WELL WITH EVERYONE

> EMOTIONAL INTELLIGENCE

> BUSINESS EMAIL ETIQUETTE

> ESSENTIALS OF SIX SIGMA

> THE ABCs OF EFFECTIVE COMMUNICATION

EMPLOYEE RECRUITMENT AND INTERNSHIPS

We are encouraged by the enthusiasm and passion of the next generation, and we are focused on providing the support they need to do their best work. Our recruitment and internship opportunities allow us to engage with a variety of students from around the U.S., ensuring we have a pipeline of fresh talent and innovative perspectives for the future.

Our interns work alongside our employees and are posed with real-world problems. They are often tasked to work through the various stages of our business from research and development, engineering, and manufacturing, to marketing and sales. Through exposure to the business at these stages, they gain real-world experience as they develop problem-solving skills, learn business acumen, and allow their creativity to generate new solutions to modern challenges. We are proud of our interns and are excited to be part of their journey as they move into exciting, challenging careers when they graduate. From our intern class of fiscal year 2025, we hired 54 of our interns from 40 different schools. These interns, now AV employees, work across 15 different offices throughout the U.S.

In addition to our internships, our Talent Outreach Program is designed to recruit and retain top engineering and technology talent from across the country. We leverage several talent development agencies to help us expand our reach to thousands of prospective employees. We also attend a variety of industry-specific recruitment and talent attraction events throughout the year.

We attended several top-tier college and career fairs in fiscal year 2025 including the University of Los Angeles, University of Southern California, Virginia Tech, Stanford, Purdue University, Embry Riddle Aeronautical University, and more.

More information on hiring opportunities, including current job openings and our hiring process, can be found on the Talent Outreach section of our website.

93% of employees said when you join AV, you are made to feel welcome.

"I was primarily looking for robotics software roles for internships, preferably in R&D, and AV was one of those companies that stood out to me. I'm currently working as a robotics software engineering intern on the Autonomy Team in MacCready Works, and the experience has truly been fulfilling. I've learned a lot of new skills and tools that I probably wouldn't have encountered elsewhere. This summer, I had the incredible opportunity to work hands-on with the VAPOR helicopter, integrating AVAS and AVACORE with the ATAK software that operators today use for PUMAs. One of the highlights was successfully demonstrating a mission that included a payload drop in a hardware-in-the-loop setup. What I love about AV is not just the cutting-edge projects, but the supportive and innovative environment that I believe encourages constant learning and growth."

Revanth Senthil
Intern Class of 2025

EMPLOYEE ENGAGEMENT

We are proud to continue our partnership with Great Place to Work, Inc. to conduct our biennial employee engagement survey and periodic pulse surveys. These surveys ask our employees to share insights regarding their workplace environment and experience, helping us to better understand company morale and reflect on our company culture. During our latest certification cycle which ended in September 2024, many of our key metrics continued to show positive overall engagement, with many exceeding industry standards. Many employees also shared that they see themselves building long-term careers at the company and feel free to be their authentic selves. We view this as a reflection of our commitment to fostering a workplace where creativity and innovation can thrive.

In addition to the employee engagement surveys conducted by Great Place to Work, our CEO and Executive Leadership Team take a direct approach to employee engagement. They host monthly on-site and virtual town hall meetings, where employees are invited to ask questions and can engage directly with company leadership. AV also maintains our internal "AVConnect" page on our intranet, enabling employees to submit feedback and questions year-round in support of continuous feedback and improvement.

Great Place To Work® Certified SEP 2024-SEP 2025 USA™

93%	91%	91%	90%	89%	88%
When you join the company, you are made to feel welcome.	When I look at what we accomplish, I feel a sense of pride.	I'm proud to tell others I work here.	I am able to take time off from work when I think it's necessary.	Management is honest and ethical in its business practices.	Employees globally say AeroVironment is a Great Place to Work.

COMMUNITY ENGAGEMENT

At AV, we recognize our impact on the world and remain dedicated to conducting our business responsibly – especially in our operations at home. We take pride in creating positive relationships that contribute to the social and economic vitality of the communities where we live and work.

IMPACT! is our formal corporate social responsibility program, which embodies our commitment to volunteering, sponsorship, and community outreach. Through IMPACT!, we have established several partnerships that are aligned with our company's core values and purpose, focusing on securing lives, advancing sustainability, and innovating for the future. Throughout fiscal year 2025, we hosted local blood drives and supported first responders, provided support for military and veteran services, as well as offered opportunities for science, technology, engineering, and mathematics (STEM) education for the next generation of engineers. In fiscal year 2025, AV donated approximately $55,000 to organizations including the American Red Cross, American Cancer Society, Boys and Girls Club, and For the Troops.

EXAMPLES OF ENGAGEMENTS DURING FISCAL YEAR 2025 INCLUDE:

- **AMERICAN RED CROSS RIDE FOR RED EVENT SPONSOR** | Funding and awareness campaign through Bike Riding Event.
- **AMERICAN RED CROSS BLOOD DRIVE** | Over 100 employees donated blood at our onsite blood drives.
- **FLORY ELEMENTARY SCHOOL PARTNERSHIP** | Help cover the cost of supplies and student engagement.
- **FLORY ACADEMY ENGINEERING WEEK AND CAREER DAY** | 10 employees volunteered their time by sharing their passion for engineering and their path to becoming engineers.
- **CAMARILLO AVIATION FOUNDATION AVIATION CAREER DAY** | Financial support to provide Aviation Career exposure to local youth, 10 volunteers engaged with students and answered questions about aviation and engineering career paths.
- **2024 BOYS/GIRLS CLUB GOLF CLASSIC SPONSORSHIP** | Help cover the cost of supplies and provide guidance-oriented programming.
- **KIWANIS CLUB OF MOORPARK SPONSORSHIP** | Supported their local Military Banner program by replacing banners that were destroyed during high winds and fire weather.
- **WINGS OVER CAMARILLO STEM PAVILION SPONSOR** | Funding to support STEM education for students, 20 employees engaged with youth and their families on a STEM project at a local Air Shows.
- **2025 AIAA DESIGN, BUILD, FLY COMPETITION SPONSORSHIP** | Support K-12 STEM education programs.
- **UNIVERSITY OF CHICAGO-CAREERS IN STEM** | Nine employees volunteered their time to give a demonstration of products to college students.
- **SPARK OF LOVE TOY DRIVE EVENT SPONSOR** | Toy drive for underprivileged youth in Southern California each Christmas.
- **FOR THE TROOPS GALA EVENT SPONSOR** | Financial support providing "We Care" packages to American military personnel.
- **AND MORE!**

CLOSING

With the close of another year, we take pride in reflecting on the progress we have made – both in exploring new concepts and in developing innovative solutions. Looking ahead, we will be integrating BlueHalo into our operations, evaluating new opportunities to enhance our CSR program, and assessing emerging disclosure requirements that may affect our operations and our approach to reporting. We invite you to continue to follow us as we move forward with purpose and confidence.

APPENDIX A - MATERIALITY ASSESSMENT

AV engaged with a third party to conduct a formal materiality assessment. The process allowed us to understand which CSR topics are most important to our business and our stakeholders. The end results have informed our organization, especially our CSR strategy which is evolving to meet current and upcoming legislative requirements.

STEP 1: TOPIC IDENTIFICATION

We considered guidance and recommendations from a variety of sources to help us identify an initial list of material issues. This includes:

> **CSR DISCLOSURES** of AV's peers, CSR leaders, and competitors;
> **SUSTAINABILITY ACCOUNTING** Standards Board (SASB) Standards;
> **GLOBAL REPORTING** Initiative (GRI) Standards;
> **INDUSTRY TRENDS** and global CSR topics; and
> **OTHER KEY** industry associations and initiatives.

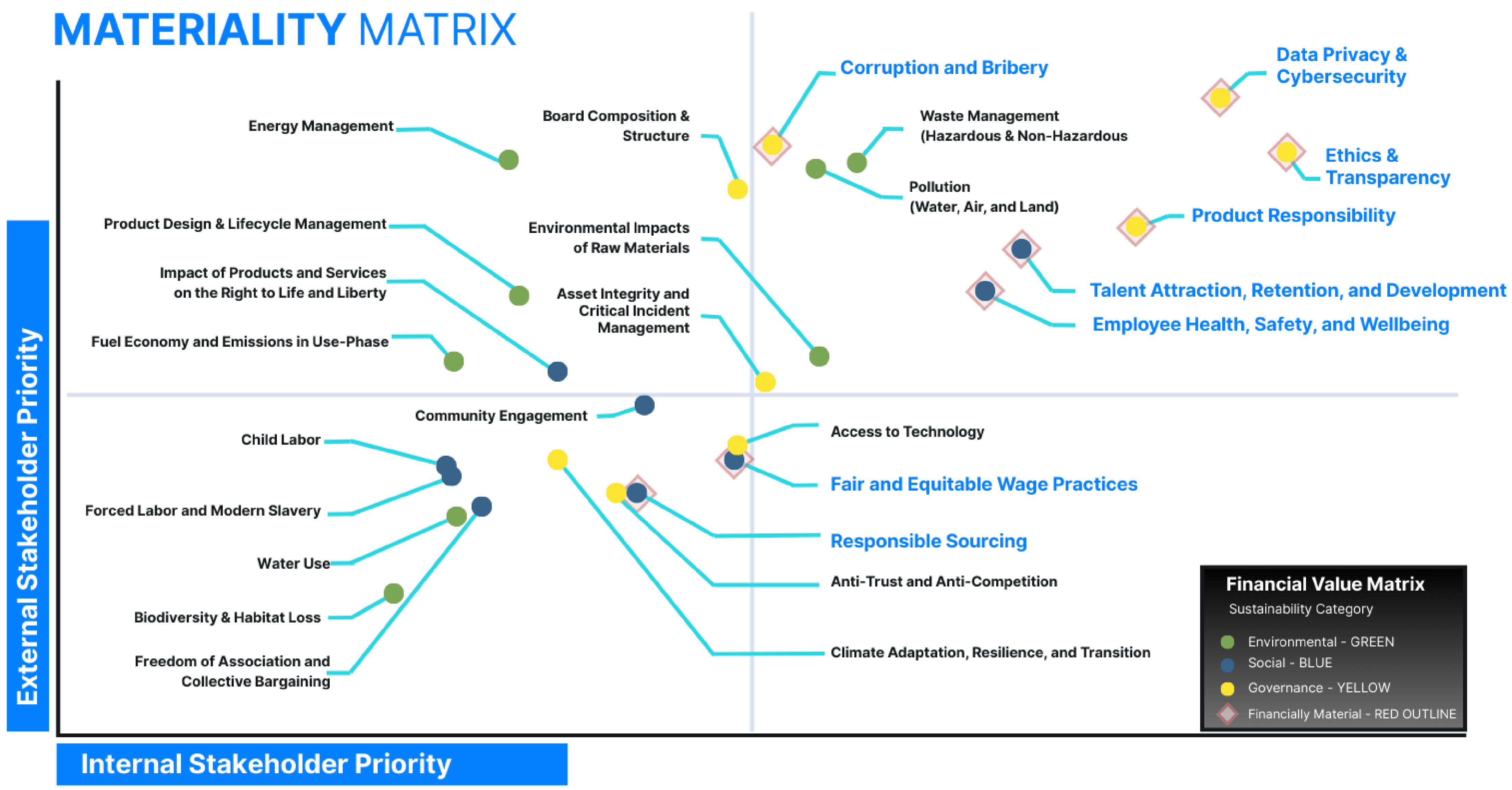
Identified topics were refined and grouped into three categories: Environmental, Social, and Governance.

STEP 2: STAKEHOLDER IDENTIFICATION AND ENGAGEMENT

A comprehensive list of internal and external stakeholders such as customers, employees, and other organizations were selected for engagement based on their interest or influence upon AV's sustainability activities, including their ability to capture candid and complete perspectives. These stakeholders were engaged either through interviews or web-based surveys. In both approaches, participants were tasked with evaluating and prioritizing the identified environmental, social, and governance topics according to their perceived impact and financial value upon AV's operations.

STEP 3: VALIDATION

Based on the feedback gathered, topics were assessed according to the stakeholder priorities. In doing so, AV was able to determine which topics are or are most likely to be material to its organization.



APPENDIX A - DEFINITIONS OF MATERIAL TOPICS

TOPIC	DEFINITION
ACCESS TO TECHNOLOGY	The development of products that support and promote the distribution and access of telecommunications technology to underserved peoples and regions.
ASSET INTEGRITY AND CRITICAL INCIDENT MANAGEMENT	The prevention and control of incidents that can lead to fatalities, injuries, illness, environmental impacts, and damages to local communities or infrastructure.
CORRUPTION AND BRIBERY	The importance of upholding the strong business values that have no tolerance for corruption or bribery within AV’s operations or value chain. Corruption is the abuse of entrusted power for private gain and includes practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering.
DATA PRIVACY AND CYBERSECURITY	The risk of impacts on digital equity, manipulation, and privacy on communities along the value chain, including consumers. This includes the importance of AV's compliance with all applicable data security and privacy laws to ensure all stakeholders data is handled in safe, lawful, and ethical manner.
DIVERSITY, EQUITY, AND INCLUSION	The importance of a diverse, equitable, and inclusive work environment for all employees, regardless of gender identity, national origin, race, color, creed, sexual orientation, or other background characteristics that can be obtained through hiring practices, sponsored programs, or employee engagement.
ETHICS AND TRANSPARENCY	The importance of ensuring transparent business operations and the commitment to conduct business to the highest standards of ethics and integrity.
EMPLOYEE HEALTH, SAFETY, AND WELLBEING	The importance of instilling a culture of supporting complete employee health, safety, and wellness, which incorporates all aspects related to physical and mental health and ensures that all employees have access to safe working conditions and relevant training materials or programs that are appropriate and effective for their job responsibilities.

APPENDIX A - DEFINITIONS OF MATERIAL TOPICS

TOPIC	DEFINITION
ENVIRONMENTAL IMPACTS OF RAW MATERIALS	Impacts on the environment caused by processes associated with procuring materials for AV’s business, including impacts from raw material extraction, smelting, and transformation.
FAIR AND EQUITABLE WAGE PRACTICES	The importance of fair wage practices and commensurate benefits packages for all employees regardless of gender identity, national origin, race, color, creed, sexual orientation, or other background characteristics.
POLLUTION (WATER, AIR, AND LAND)	Impacts of AV's operations and value chain on normal ecosystem functions, including air, land, and water pollution.
PRODUCT RESPONSIBILITY	AV's commitment to ensuring their products are used in a safe, responsible, and reasonable manner, and the company’s practices that ensure their products are not sold or used by malefactors.
RESPONSIBLE SOURCING	Impacts of direct and indirect suppliers on workers and communities.
TALENT ATTRACTION, RETENTION, AND DEVELOPMENT	Impacts on employees and company performance resulting from attracting talented individuals, supporting their personal and professional development through industry-leading training and professional development programs, and promoting skill acquisition and workforce flexibility.
WASTE MANAGEMENT (HAZARDOUS AND NON-HAZARDOUS)	Environmental impacts associated with hazardous and non-hazardous waste generated by AeroVironment. This includes AV's management of solid waste from treatment to handling, storage, disposal, and regulatory compliance. This also includes waste minimization and waste diversion.

APPENDIX B - SASB INDEX: AEROSPACE DEFENSE STANDARD

The SASB Standards guide the disclosure of financially material sustainability information. Below is AV's response to the 2023 SASB Aerospace Defense Standard. All data included within this SASB index is representative of fiscal year 2025, in line with our reporting period unless otherwise noted.

TOPIC	METRIC	CODE	RESPONSE
ENERGY MANAGEMENT	1. Total energy consumed 2. Percentage grid electricity 3. Percentage renewable	RT-AE-130a.1	1. 9,480,000 kWh 2. 54% of total energy 3. 24% of total energy
HAZARDOUS WASTE MANAGEMENT	1. Amount of hazardous waste generated 2. Percentage recycled	RT-AE-150a.1	AV does not collect this information on a consolidated company level.
	1. Number and aggregate quantity of reportable spills 2. Quantity recovered	RT-AE-150a.2	1. 0 spills 2. N/A
DATA SECURITY	1. Number of data breaches 2. Percentage involving confidential information	RT-AE-230a.1	1. 0 2. 0
	Description of approach to identifying and addressing security risks in: 1. Entity operations 2. Products	RT-AE-230a.2	Refer to the Information Security and Data Privacy section.
PRODUCT SAFETY	1. Number of recalls issued 2. Total units recalled	RT-AE-250a.1	1. 0 recalls issued 2. 0 units recalled
	1. Number of counterfeit parts detected 2. Percentage avoided	RT-AE-250a.2	1. 0 counterfeit parts detected 2. N/A; no parts detected
	1. Number of Airworthiness Directives received 2. Total units affected	RT-AE-250a.3	Metrics are not applicable to AV's business. Airworthiness Directives are not currently relevant to our business or impactful to our business units.
	Total amount of monetary losses as a result of legal proceedings associated with product safety	RT-AE-250a.4	$0, AV did not receive any monetary losses as a result of legal proceedings associated with product safety.

APPENDIX B - SASB INDEX: AEROSPACE DEFENSE STANDARD

TOPIC	METRIC	CODE	RESPONSE
FUEL ECONOMY + EMISSIONS IN USE-PHASE	Revenue from alternative energy-related products	RT-AE-410a.1	Approximately 90% of our portfolio is battery powered.
	Description of approach and discussion of strategy to address fuel economy and greenhouse gas (GHG) emissions of products	RT-AE-410a.2	Refer to the Environmental Management and Energy Efficiency and Greenhouse Gas Emissions sections.
MATERIALS SOURCING	Description of the management of risks associated with the use of critical materials	RT-AE-440a.1	Refer to the Responsible Business Operations section.
BUSINESS ETHICS	Total amount of monetary losses as a result of legal proceedings associated with incidents of corruption, bribery, or illicit international trade	RT-AE-510a.1	$0
	Revenue from countries ranked in the "E" or "F" Band of Transparency International's Government Defense Anti-Corruption Index	RT-AE-510a.2	A number of our products and related services are sold to organizations within the U.S. Department of Defense (DoD) and to international allied governments. We recognize the sensitive nature of providing detailed unit sales information. Therefore, we will not be disclosing such confidential business information. For additional information, please see our Annual Report.
	Discussion of processes to manage business ethics risks throughout the value chain	RT-AE-510a.3	Refer to the Responsible Business Operations section.
ACTIVITY METRIC	Production by reportable segment	RT-AE-000.A	A number of our products and related services are sold to organizations within the U.S. DoD and to international allied governments. We recognize the sensitive nature of providing detailed unit sales information. Therefore, we will not be disclosing such confidential business information.
	Number of employees	RT-AE-000.B	1,471

APPENDIX C - ADDITIONAL PERFORMANCE DATA

ENVIRONMENTAL METRICS

METRIC	2023 RESULTS	2024 RESULTS	2025 RESULTS
TOTAL ENERGY CONSUMPTION (kWh)	9,000,000	9,053,000	9,480,000
NON-RENEWABLE ELECTRICITY CONSUMPTION (kWh)	4,900,000	4,834,000	5,157,000
RENEWABLE ELECTRICITY CONSUMPTION (kWh)	2,300,000	2,084,000	2,226,000
NATURAL GAS ENERGY CONSUMPTION (kWh)	1,800,000	1,659,000	1,733,000
HEATING OIL CONSUMPTION (kWh)	Not applicable	476,000	364,000
WATER WITHDRAWL (m^3)	~14,000	~14,700[2]	~14,700
WATER CONSUMPTION (m^3)	Not previously reported	~14,700[2]	~14,700

[1] *2023 Environmental Metrics do not include Telerob or Tomahawk facilities.*
[2] *2024 Water withdrawal and consumption metrics do not include Tomahawk facilities.*

SUPPLY CHAIN

METRIC	2023 RESULTS	2024 RESULTS	2025 RESULTS
NUMBER OF ACTIVE SUPPLIER	~300	~300	~300
NUMBER OF REVISION CONTROLLED SUPPLIERS[1]	Not previously reported	~135	~135
SUPPLIER SPEND WITH SMALL BUSINESS	$51,400,000	$126,000,000	$214,000,000
SUPPLIER SPEND WITH MINORITY-OWNED BUSINESS	$1,900,000	$6,100,000	$8,900,000.00
SUPPLIER SPEND WITH FEMALE-OWNED BUSINESS	Not previously reported	$5,100,000	$1,300,000.00

[1] *Revision Controlled suppliers are those which provide support to AV following our revision-controlled documents. They are a subset of our active suppliers.*

APPENDIX C - ADDITIONAL PERFORMANCE DATA

TEAM MEMBER DEMOGRAPHICS

METRIC	2023 RESULTS	2024 RESULTS	2025 RESULTS
NUMBER OF TEAM MEMBERS GLOBALLY	1,279	1,428	1,471
TEAM MEMBERS BY EMPLOYMENT CONTRACTS			
PERCENT FULL-TIME EMPLOYEES	99%	98%	98%
PERCENT PART-TIME EMPLOYEES	1%	2%	2%
GLOBAL WORKFORCE BY FUNCTION			
ADMINISTRATIVE	255	330	339
RESEARCH, DEVELOPMENT, AND ENGINEERING (R&D&E)	408	534	528
OPERATIONS	548	490	533
SALES AND MARKETING	68	74	75

TEAM MEMBER DIVERSITY

METRIC	2023 RESULTS	2024 RESULTS	2025 RESULTS
TEAM MEMBERS BY AGE, U.S. ONLY			
UNDER AGE 30	161	205	201
BETWEEN AGES 30-50	405	684	735
OVER AGE 50	603	418	406
TEAM MEMBER DIVERSITY, U.S. ONLY			
FEMALE	243	288	316
MALE	926	1,014	1,022
NONDISCLOSED	0	5	4
VETERAN STATUS	Not previously reported	113	141

EMPLOYEE TURNOVER

METRIC	2023 RESULTS	2024 RESULTS	2025 RESULTS
GLOBAL TURNOVER RATE	Not previously reported	21%	18%
EMPLOYEES HIRED	228	338	267
EMPLOYEES TERMINATED OR RETIRED	227	269	264

APPENDIX C - ADDITIONAL PERFORMANCE DATA

BOARD OF DIRECTORS COMPOSITION AND DEMOGRAPHICS

METRIC	2023 RESULTS	2024 RESULTS	2025 RESULTS
INDEPENDENT	6	7	7
NON-INDEPENDENT	1	1	1
BOARD OF DIRECTORS BY AGE			
UNDER AGE 30	0	0	0
BETWEEN AGES 30-50	0	0	0
OVER AGE 50	7	8	8

TRAINING AND DEVELOPMENT

METRIC	2023 RESULTS	2024 RESULTS	2025 RESULTS
PERCENT OF EMPLOYEES COMPLETED REQUIRED ANNUAL TRADE COMPLIANCE AWARENESS TRAINING	98% as of June 2023	>99% as of May 2024	98% as of May 2025
SECURITY AWARENESS AND CLEARED AND UNCLEARED INFORMATION (UCI) TRAINING	Not previously reported	100% as of May 2024	99% as of May 2025
AVERAGE HOURS OF TRAINING PER EMPLOYEES	Not previously reported	10.3	18.7

TENURE

METRIC	2023 RESULTS	2024 RESULTS	2025 RESULTS
BOARD MEMBER TENURE			
0-5 YEARS ON BOARD	2	4	4
6-10 YEARS ON BOARD	5	1	1
11-15 YEARS ON BOARD	0	3	3
GLOBAL WORKFORCE TENURE			
0-2 YEARS	29%	41%	46%
2-5 YEARS	42%	26%	21%
6-10 YEARS	11%	15%	17%
11-15 YEARS	10%	7%	5%
16-20 YEARS	6%	8%	7%
20+ YEARS	2%	3%	4%

COMMUNITY ENGAGEMENT

METRIC	2023 RESULTS	2024 RESULTS	2025 RESULTS
TOP FINANCIAL CONTRIBUTIONS	Not Reported	$49,000	$55,000