



PROCEED  
WITH  
CERTAINTY

## **CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT DISCLOSURE**

The California Transparency and Supply Chains Act of 2010 requires qualifying manufacturers and retailers doing business in California to disclose their efforts to eradicate human trafficking and slavery from their supply chains.

AeroVironment, Inc. (the "Company") is committed to complying with all applicable laws in all places we operate and conducting our business with the highest standards of ethics and integrity. We expect the same of the parties with which we do business. Our ethics and integrity standards are reflected in our Code of Business Conduct and Ethics (the "Code"), which outlines our expectations of ethical conduct and compliance with all laws by our officers, directors and employees. Our Code provides as follows with respect to human trafficking, forced labor and slavery:

The Company shall comply with laws and regulations that prohibit human trafficking, forced labor and slavery. The Company will not knowingly do business with suppliers who engage in such practices. We also expect our suppliers to obey the laws that require them to treat workers fairly and provide a safe and healthy work environment. The Company will quickly investigate any reports alleging human trafficking, forced labor or slavery in its supply chain and will take swift and decisive action against any supplier that is found to act improperly in this regard.

Company employees shall not engage in any form of trafficking in persons, procure commercial sex acts or use forced labor in the performance of contracts. The U.S. government and the Company have zero-tolerance policies concerning such activities. Company employees who violate this policy will be subject to disciplinary action as described in this Code, which may including referral to relevant regulatory authorities for criminal prosecution as appropriate.

All of our officers, directors and employees are required to read and understand and act in accordance with the Code. All employees have a duty to report any known or suspected violation of the Code, including any violation of laws, rules, regulations or policies that apply to the Company. Each of our directors, officers and employees, as well as any clients, contractors, vendors, stockholders or other interested parties, may submit anonymous reports of any violations or suspected violations of our Code via our Ethics and Compliance Hotline. We take all alleged violations of law, company policy and the

Code seriously. We respond promptly and conduct investigations when appropriate. Failure by an employee to follow the standards set forth on the Code may subject such employee to disciplinary action up to and including termination of employment.

Our suppliers agree to comply with all applicable federal, state and local laws, rules, regulations or ordinances in the performance of work or services under our purchasing agreements and purchase orders, which includes all laws and regulations prohibiting human trafficking and slavery. Suppliers are expected to flow these requirements down to their suppliers. Any supplier who violates its legal obligations related to human trafficking and slavery would be in breach of its agreement with us, which could result in termination of the agreement. At this time we do not require our suppliers to certify that all materials incorporated into our products comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business.

In addition, when acting as a U.S. Government contractor or subcontractor, we are governed by and comply with Federal Acquisition Regulation (FAR) 52.222-50, "Combatting Trafficking in Persons." FAR 52.222-50 imposes the U.S. Government's "zero tolerance policy on human trafficking" on its contractors and subcontractors. The regulation prohibits U.S. Government contractors and subcontractors from using "forced labor" or engaging in "severe forms of trafficking in persons" during the performance of the contract or subcontract. Violations of this regulation can result in significant monetary and non-monetary penalties. We also flow down the requirements of FAR 52.222-50 to our suppliers under our U.S. Government contracts.

Currently, AeroVironment does not verify product supply chains to evaluate and address risks of human trafficking and slavery or conduct audits of suppliers. The Company does not currently provide specific training on human trafficking mitigation, however, it does maintain a broad-based ethics and compliance program that is intended to ensure compliance with applicable laws and promote a culture committed to ethics and integrity.