

Sisters' Communities Public Statement on Smith and Wesson

TUESDAY, DECEMBER 5, 2023

ADRIAN DOMINICAN SISTERS · SISTERS OF BON SECOURS USA · SISTERS OF ST. FRANCIS OF PHILADELPHIA · SISTERS OF THE HOLY NAMES OF JESUS & MARY, U.S.-ONTARIO PROVINCE

STATEMENT OF CATHOLIC SISTERS FILING DERIVATIVE COMPLAINT AGAINST SMITH & WESSON OFFICERS AND DIRECTORS FOR BREACH OF FIDUCIARY DUTY

December 5, 2023

As Catholic Sisters and women of faith who believe in the sanctity of life, our hearts ache at the exponential rise in gun deaths and mass shootings in our country that have ravaged the lives of so many children, women, men, their families, and communities. AR-15-style rifles, like those manufactured by Smith & Wesson, have been the weapon of choice for killers responsible for the deadliest mass shootings in American history. By design, they inflict the greatest number of casualties with maximum bodily harm in the shortest amount of time and are easily modified for automatic fire. These rifles have no purpose other than mass murder. They are not the sporting rifles that members of our own families and other responsible gun owners value.

As Smith & Wesson stockholders – and long-time proponents of corporate responsibility in the environmental, social and governance policies of companies in which we invest – we have sponsored resolutions that provide shareholders with an understanding of the company's practices and exposure to risk and liability regarding the manufacture of AR-15 rifles. The most recent is a resolution calling for a third-party Human Rights Impact Assessment of the company's practices in light of the significant and costly human rights risks the company faces. While the board recommended voting against the proposal at the September 2023 shareholder meeting, 26.7% of shareholders supported it.

Today, with the help of a team of lawyers from the New York law firm Newman Ferrara LLP, we filed a derivative complaint against the members of the Board and executive officers for breach of their fiduciary duties in prioritizing short-term profit over long-term risk. The company is intent on marketing and selling AR-15 rifles in whatever manner results in the most sales – even if the marketing is illegal and attracts a dangerous category of buyers, facilitates an unrelenting and growing stream of killings, and causes the company to face an ever-increasing and substantial likelihood of liability that threatens its long-term existence.

We call on Smith & Wesson to return to the practices of its first 153 years of existence when it held itself as a successful beacon of responsible gun ownership and did not manufacture, market, or sell military-grade, mass-killing assault weapons. We pray for an end to the AR-15 mass shootings that have stolen the lives of so many innocent people and devastated communities across the nation.

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The congregations of Catholic Sisters who, as stockholders, joined in filing the derivative complaint against Smith & Wesson Officers and Directors are: **Adrian Dominican Sisters** (Adrian, Michigan), **Sisters of Bon Secours USA** (Marriottsville, Maryland), **Sisters of St. Francis of Philadelphia** (Aston, Pennsylvania), and **Sisters of the Holy Names of Jesus & Mary, U.S.-Ontario Province** (Marylhurst, Oregon). Members of the four congregations, each founded in the 1800s in response to the needs of the times, have served in educational, healthcare, pastoral, social justice, environmental and other ministries throughout the United States and in other places around the world.

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