

Develop a Human Rights Policy American Outdoor Brands 2019

RESOLVED: Shareholders request that the Board of Directors of American Outdoor Brands adopt a comprehensive policy articulating our company's commitment to respect human rights, and which includes a description of proposed due diligence processes to identify, assess, prevent and mitigate actual and potential adverse human rights impacts.

WHEREAS,

The UN Guiding Principles on Business and Human Rights (hereinafter UNGPs), state:

The responsibility to respect human rights requires that business enterprises: (a) Avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur; [and] (b) Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts.ⁱ

In order to meet their responsibility to respect human rights, business enterprises should have in place policies and processes appropriate to their size and circumstances, including . . . [a] policy commitment to meet their responsibility to respect human rights.ⁱⁱ

As investors, we seek to identify and assess human rights risks and impacts in portfolio companies as they have direct implications for shareholder value and, depending on whether and how they are managed, are a bellwether for a company's long-term viability.

Given the lethality of firearms products and the potential for their misuse, in direct contradiction with the company's stated objective of providing "next-generation guns for sport, recreation, protection and personal use", the risk of adverse human rights impacts is especially elevated for all gun manufacturers, including American Outdoor Brands.

Companies exposed to human rights risks may incur significant legal, reputational and financial costs that are material to investors. A public-facing human rights policy that includes a human rights due diligence process is essential to managing these risks. For this reason, hundreds of global corporations have adopted human rights policies, including British American Tobacco, Exxon and Walmart.ⁱⁱⁱ

While American Outdoor Brands has a number of corporate policies, including a Code of Ethics, the information available for review on its web site does not mention a public commitment to respect human rights.

A public human rights policy that articulates the company's commitment to respect human rights and its efforts to avoid contributing to adverse human rights impacts would assure shareholders that these risks are being adequately managed.

The UNGPs establish that such a policy should:

- Refer to internationally recognized human rights^{iv}
- Stipulate that the human rights expectations of personnel, business partners and other parties directly linked to its operations, products or services be publicly available and be communicated internally and externally to all personnel, business partners and other relevant parties;

- Apply throughout the company's value chain and in operating environments regardless of legal framework; and,
- Be embedded throughout company functions and reflected in operational policies and procedures.

ⁱ <https://www.business-humanrights.org/en/un-guiding-principles> (section 13)

ⁱⁱ <https://www.business-humanrights.org/en/un-guiding-principles> (section 15a)

ⁱⁱⁱ <https://www.business-humanrights.org/en/company-policy-statements-on-human-rights>

^{iv} <https://shareholdersandinvestors.bbva.com/wp-content/uploads/2018/02/Commitment-to-Human-Rights.pdf>