

2023

Stakeholder Letter



Environmental, Social & Governance (ESG)

WRAP TECHNOLOGIES, INC.
NASDAQ: WRAP

WRAP

We are pleased to deliver our most recent Environmental, Social, and Governance (ESG) progress letter to our stakeholders. Wrap Technologies, Inc.'s (WRAP) core mission and purpose is to save lives. WRAP is leading the movement for safer policing by equipping officers with non-pain compliance tools and immersive training for the modern world.

Throughout this past year with the support of our new senior leadership team, and our diverse board of directors, we continually improve and expand upon our ESG program. Our ESG program is currently focused on five major areas:



Employee Diversity & Inclusion: We seek to create a positive work environment where all employees can reach their full potential and maximize their contributions.



Product Lifecycle Management: We design our products with the entire product lifecycle in mind, with specific considerations in hazardous material inputs, safe end-of-life disposal, and recycling.



Supply Chain Management: We evaluate the environmental impact of our suppliers' operations, evaluating their labor and human rights practices, and assessing their governance and transparency.



Environmental Impact: We reduce our environmental impact by identifying hazardous waste streams and ensure proper disposal.



Charity & Philanthropy: We embrace our role in creating positive, lasting change in the communities where we live, work and do business. We contribute skills, technology and investments to strengthen the resilience and vitality of local communities and with public safety.



DIVERSITY & INCLUSION

WRAP is committed to fostering, cultivating, and preserving a culture of diversity, equity, and inclusion. We value our employees for their unique talent and abilities. We embrace our employees' differences in backgrounds, experiences, race, color, religious creed, sex, national origin, ancestry, citizenship status, family or marital status, physical, mental and/or intellectual abilities, age, military or veteran status, registered domestic partner or civil union status, gender and gender identity, sexual orientation, political affiliations, and socio-economic stats. All employees are valued for their individual differences and their unique contributions that help us achieve our business goals.

Some highlights of our programs include:

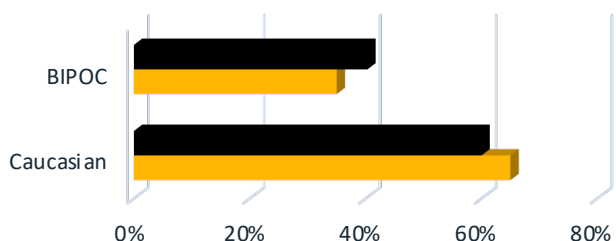


Training: We require annual training to promote a greater understanding and enhanced employee knowledge of diversity, equity and inclusion initiatives.



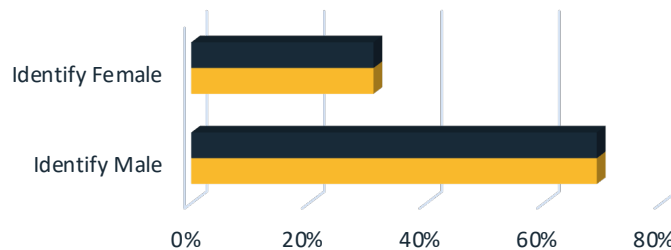
Work/Life Balance: We offer flexible and remote work practices and policies that support employee's and their changing needs.

Diversity



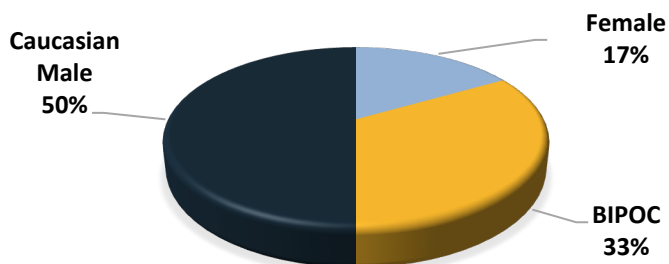
	Caucasian	BIPOC
2022	60%	40%
2021	65%	35%

Employee Gender Identity



	Identify Male	Identify Female
2022	69%	31%
2021	69%	31%

BOARD OF DIRECTORS DIVERSITY & GENDER IDENTITY





PRODUCT LIFE CYCLE MANAGEMENT

WRAP is committed to designing products with the entire product lifecycle in mind. We are focused on minimizing our products' impacts on the environment and society as a whole.

Some highlights of our programs include:



Planned Obsolescence: We strive to support our current product – the BolaWrap 150 for at least a 5-year period, reducing the amount of waste generated by retired products.



Product Innovation: Products are designed to last longer and be more durable. For example, the Bola Wrap 150 battery lasts 10 times longer than the previous generation.



Packaging Waste Reduction: We have replaced non-recyclable packing materials with recyclable corrugated products. In 2023, bulk orders will ship in packaging that use at least 60% less cardboard.



Trade-in Program: Our trade-in program for the Bola Wrap 100 device for Bola Wrap 150 devices ensured the proper disposal and recycling of obsolete and no longer used devices.





SUPPLY CHAIN MANAGEMENT

WRAP is committed to developing a supply chain whose values align with ours in terms of sourcing materials, environmental impact, and workplace conditions.

In 2023, we turn our supply chain focus on the following:



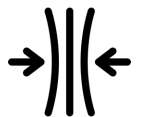
Conflict Free: Seeking to determine our suppliers' sources of raw materials and preventing the use of materials sourced from conflict zones and countries violating international laws.



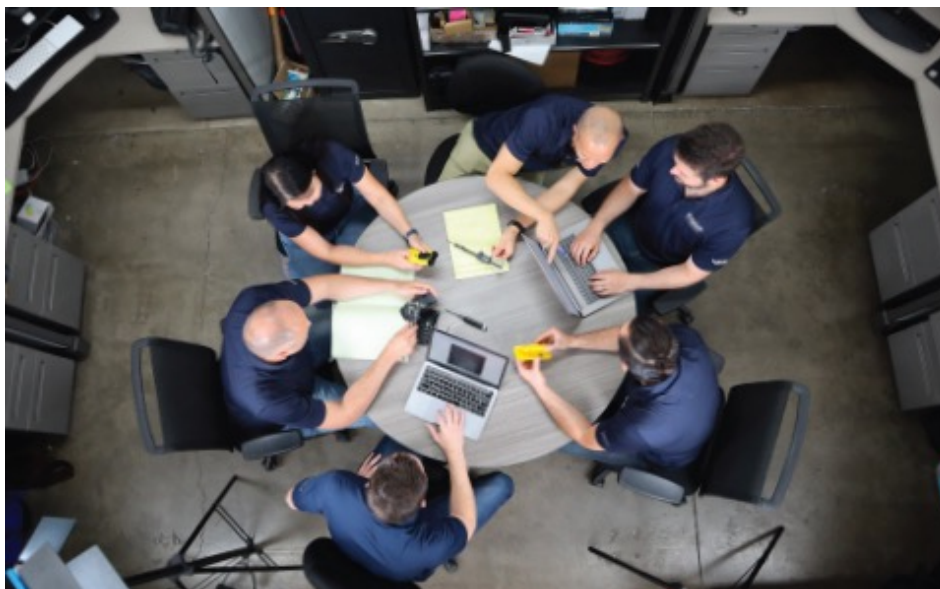
Child Labor: Ensuring our suppliers do not and will not use illegal child labor, forced labor, slave labor and indentured servitude. In 2023, we will be asking our suppliers to certify their compliance with our policy and values.



Anti-Corruption: Confirming that our suppliers do not partake in any corruption including; bribery, conflicts of interest, illegal lobbying, and sextortion.



Resilience: Identifying and quantifying supply chain risks and determining multiple suppliers for key components to ensure supply chain resilience.





ENVIRONMENTAL IMPACT

WRAP is committed to reducing our environmental impact and embracing clean/green initiatives when possible.

In 2023, we continue to focus our environmental impact efforts in these four areas:



Hazardous Waste: Ensuring 100% of hazardous waste from our manufacturing and assembly workstreams is appropriately collected through our provider, Clean Harbors, Inc.



Recycling: Donating recycled products to the Arizona State University's foundry to be recycled as aluminum material for their art program.



Supply Chain: Working with our suppliers to ensure they incorporate best practices to recycle raw materials; including plastics, metals, batteries, and other e-waste.



Remote & Flexible Work: Supporting our flexible workforce, which in turn reduces the total carbon impact of commuting on a regular basis, reduces the square footage used for our operations and reduces energy consumption and waste at our company run facilities.





CHARITY & PHILANTHROPY

At WRAP, we embrace our role in creating positive, lasting change in the communities where we live, work, and do business. We contribute skills, technology, and investments to strengthen the resilience and vitality of our local communities and public safety. All employees are encouraged to give back to the causes and organizations they care about through several programs including:



Corporate Volunteering Events



Corporate Sponsored Community Events



Annual Corporate Donations to 501(c)(3) Organizations



Office Collections Drives



At Wrap, we are committed to making a positive social impact that extends beyond our core business operations. Our mission is to save lives and careers, and this extends to our efforts to equip law enforcement officers with the best tools and training available. Our innovative BolaWrap® tool, for example, is designed to be used before escalation occurs, and we are now leveraging our robust virtual reality training platform, Wrap Reality™, to provide more communities with the training they need to handle a diverse range of situations.

Wrap Reality™ is a state-of-the-art, fully immersive police training simulator that offers real-time updates across a range of environments. It covers everything from decision-making and communication skills to threat analysis, engagement, and de-escalation capabilities. Our platform includes training modules for active shooter situations, and our debriefing features allow trainers to walk officers through each decision they made during their response, providing real-time feedback for better learning outcomes and driving safer communities.

We believe that investing in law enforcement training and equipment is crucial to our mission of creating safer communities. Police officers perform an incredibly difficult job while putting their lives on the line every day, and training can help them make better decisions and respond to difficult situations with greater confidence. At Wrap, we work to support police departments by lowering the cost of training and increasing the capabilities of law enforcement officers to better serve their communities.

We want to thank our supporters and partners for joining us on this journey of building stronger community engagement opportunities. We remain committed to developing innovative law enforcement technology that helps officers be safer and more effective in their mission to protect our communities.

We invite you to learn more about our mission and product offerings on our website, www.wrap.com.

Thank you for your support.

Regards,



Kevin Mullins
CEO