



Supplier Responsibility Standards

Introduction

At TaylorMade (TM), we play hard, we play to win, and we honor the rules of the game.

Just as golf is in our DNA, our Code of Conduct and Supplier Responsibility Standards (“the Standards”) are a part of who we are and are critically important in defining what we stand for, how we conduct our business, and how we interact with others. The Standards describe how we and our suppliers put integrity into practice every day by living up to the following supplier values: **Safety, People, Environment, Quality, Delivery, and Cost**. These are guides for each of us to follow in our steadfast commitment to fairness, ethics, laws, and respect for others within our own operations and our extended supply chain.

We appreciate your commitment to play by these rules and win rounds with integrity.

The Standards detail clear rules of conduct for our suppliers regarding environmentally sound, safe and healthy working conditions, fair wages and benefits, freedom of association, prohibition of excessive overtime, forced and child labor and protection against harassment and discrimination.

The Standards support the UN Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work, additional ILO conventions and recommendations, international codes such as the International Fire Code and industry standards around social responsibility.

The Standards help us to select suppliers that have workplace standards and business practices consistent with our values, and to reject those that do not. Thus, all new suppliers must be authorised by TaylorMade Supplier Responsibility (TMSR) department before any sales samples can be produced or before any production orders can be placed with a supplier. This means that where an initial audit to validate working conditions is needed, no production may begin until an initial audit has taken place and demonstrates minimum compliance standards for orders to be placed.

General Principle

Suppliers must comply fully with all legal and TM requirements relevant to the conduct of their businesses, including applicable laws and standards related to labor, consumer product safety, environment, antitrust and fair competition, export control, economic embargos and trade sanctions, anti-boycott, money laundering prevention, anti-corruption and bribery.

Under certain circumstances, legal standards and norms may vary or even conflict (e.g. national vs. international laws or national vs. company-specified standards). TM requires that the strictest standards be followed. Also, if legal compliance with applicable country or local-specific laws conflicts with international norms or company-specific standards, the supplier must inform TM of the conflict and Code compliance should be evaluated on a case-by-case basis.

These Standards are severable, and rights and restrictions contained herein may be exercised and shall be applicable and binding only to the extent that they do not violate any applicable laws. Should any part of these Standards be considered invalid on legal grounds, the remainder of the Standards shall be considered

to be in full force and effect. These Standards may be amended and restated at any time in TaylorMade's sole discretion.

Transparency

To ensure a reliable and continuous monitoring of Local Law and the Standards, TM expects its suppliers to be transparent about their organization, management system and to share truthful and accurate data related to factory conditions upon request or during announced/unannounced visits or assessments by TM or an authorized party.

Suppliers must not engage in bribery or falsification of records and undue influencing of employees.

Suppliers must establish a policy governing bribery and facilitation payments. Whistleblower protections must be implemented, as required by law. Employees must feel free to refuse to participate in bribery or facilitation payments supported by the facility and must be aware that they will not suffer retaliation, demotion, penalty or other adverse consequences for voicing a concern, or for refusing to pay a bribe or facilitation payment even if this action may result in the facility losing business.

Child Labor

Suppliers must not employ children who are less than 16 years old, or less than the age for completing compulsory education in the country of manufacture where such age is higher than 16. Suppliers must verify age documentation prior to employment. ILO Convention 138.

Working conditions (including labor and health and safety practices) of employees under the age of 18 must be in compliance with law and not jeopardize the health, safety or morals of these employees. Employees under the age of 18 must not engage in hazardous work, including night work, casting, polishing, welding, and any operation requiring chemical use. ILO Convention 182.

Employment of trainees, apprentices and individuals under the age of 18 must be conducted in compliance with the law, including medical testing, applicable documentation maintenance, such as licenses and permits, and terms of employment, such as type of work, hours and pay.

Suppliers must implement a system to remediate situations where an employee is discovered to have been hired below the age of 16 or the legal minimum age, if higher.

Forced Labor

Suppliers must not use forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise. No employee may be compelled to work through force or intimidation of any form, or as a means of political coercion or as punishment for holding or expressing political views. Suppliers must not illegally implement mandatory or involuntary overtime or mandatory overtime beyond legal overtime limits. Employees must voluntarily agree to overtime and provide written consent for mandatory overtime prior to employment or overtime shift. Any applicable production quotas must not result in mandatory overtime or violations against working hour guidelines. Suppliers must not impose penalties or fines for refusing overtime, must not withhold personal property (e.g., passport, identification papers) or wages; and must not unreasonably limit freedom of movement during and/or after work hours and must not restrict employees from terminating employment without penalty (other than restriction pertaining to legal notice periods). ILO Convention 29. Palermo Protocol.

Employees must be in possession or have direct control of their personal identity documents, must be guaranteed freedom of movement, and must not be restricted from terminating employment (other than restrictions pertaining to legal notice periods). ILO Convention 29. Palermo Protocol.

Inclusive, Respectful and Positive Workplace

All employees must be treated with dignity and respect and not be subject to verbal, physical, or mental abuse, coercion, pressure, corporal punishment, workplace threats and violence, or any form of harassment during employment or recruitment.

Suppliers must not discriminate in recruitment and employment practices. Decisions about hiring, salary, benefits, training opportunities, work assignments, advancement, discipline, termination, and retirement must be based solely on ability to perform the job, rather than on the basis of personal characteristics or beliefs, such as ethnicity, race, national origin, gender, religion, age, disability, marital status, parental status, pregnancy (ILO Convention 158), association membership, sexual orientation, or medical test results (where these are not intended for safety purposes) or political opinion. Suppliers must ensure that pregnancy and maternity do not constitute a source of discrimination in employment, including access to employment, and ensure that pregnant women do not engage in hazardous work (ILO Convention 158). Suppliers must implement effective measures to protect migrant employees against any form of discrimination and to provide appropriate support services that reflect their special status.

Freedom of Association & Collective Bargaining

Suppliers must recognize and respect the right of employees to join and organize any lawfully established unions and associations of their own choosing and to bargain collectively. ILO Conventions 87, 98, 135.

Suppliers must recognize and respect the right of employees to not affiliate or join a union. Suppliers must encourage alternative/parallel means of employees' organizations should freedom of association and collective bargaining be lawfully restricted. Suppliers management must not interfere in the organization of employees (union or non-union) and must not discriminate regarding affiliation or non-affiliation and must not retaliate, intimidate or harass employees. Suppliers must not discriminate against worker-elected representatives and must prohibit discrimination on the basis of affiliation or non-affiliation. ILO Conventions 87, 98, 135.

Suppliers must prohibit protection contracts, defined as illegitimate collective bargaining agreements benefitting an employer and signed with a union not representing employees. ILO Convention 98.

Suppliers must develop and fully implement mechanisms for resolving industrial disputes, including employee grievances, and ensure effective communication with employees and their representatives.

Disciplinary Practices

Employees must be treated with respect and dignity. No employee may be subjected to any physical, sexual, psychological, verbal harassment, abuses, fines, penalties, or withholding of pay as a disciplinary measure.

Suppliers must have written disciplinary procedures that employees are aware of. Any disciplinary action must be recorded and acknowledged by the affected employee, and that no monetary deductions must be permitted for disciplinary action, even if national legislations allows such deductions.

Suppliers must publicize and enforce a non-retaliation policy that permits employees to express their concerns about workplace conditions directly to management or to us without fear of retribution or losing their jobs.

Working Hours

Employees must not be required, except in extraordinary circumstances and with authorization from TM, to work more than 60 hours per week including overtime or applicable legal requirement, whichever is less. Employees must be allowed at least 24 consecutive hours rest within every a seven-day period or applicable legal requirement

Wages & Benefits

Wages are essential for meeting the basic needs of employees and reasonable savings and expenditure. We seek suppliers who progressively raise employee living standards through improved wage systems, benefits, welfare programs and other services, which enhance quality of life.

Wages must equal or exceed the minimum wage required by law or the prevailing industry wage, whichever is higher, and legally mandated benefits must be provided. In addition to compensation for regular working hours, employees must be compensated for overtime hours at the rate legally required in the country or jurisdiction of manufacture or, in those countries where such laws do not exist, at a rate of no less than 150% exceeding the regular hourly compensation rate.

Suppliers must provide labor contracts to all employees in a language the worker readily understands. Suppliers must furnish all legally required benefits to all employees, in particular, social security, parental leave, annual leave and statutory holidays. Suppliers must also furnish unemployment, medical, work-related injury, and maternity insurance, and other benefits such as pension and housing funds, as applicable by law.

Suppliers must maintain accurate payroll records and production records (as applicable). Facilities must maintain accurate time records and not allow off-clock work or work to be taken home. Employees must receive at least the legal wage rate for hours worked, including overtime, and be paid in accordance with the law; but, at minimum, employees' wages must be paid directly into an employee-controlled account, and employees must receive wages at least once per month, on time, with a pay slip. Pay slips must be provided and understood by employees. Suppliers must not make illegal deductions and deductions not regulated by law. Suppliers must ensure that employees are informed about overtime obligations and permitted to reject the overtime request without punishment or retaliation.

Migrant Workers & Temporary Employees

When supplemental labor is required, TM encourages suppliers to make every effort to directly recruit and hire employees. If suppliers choose to use third-party labor brokers to recruit migrant and/or temporary workers, the business partner will ensure that they operate ethically at all stages of the recruitment and selection process. Labor brokers must operate in accordance with both sending and receiving country laws and the TM Supplier Responsibility Standards. Labor brokers must not engage in fraudulent, deceptive or corrupt conduct, must be fully licensed, and must agree in writing to the Standards. ILO Convention 181.

Suppliers must at a minimum conduct an annual audit of the broker.

Employees must not pay any fees, travel expenses, administrative costs or other payments for the purpose of recruitment or employment or as a condition of employment. Employees must not be in debt due to recruitment or employment and not be subject to any deposits. Employees must be in possession or have direct control of their personal identity documents, must be guaranteed freedom of movement, and must not be restricted from terminating employment (other than restrictions pertaining to legal notice periods). ILO Convention 181.

Suppliers are prohibited from limiting in any manner the freedom of the employee to dispose of their wages (e.g. mandatory savings plans are prohibited). ILO Convention 95.

Suppliers must ensure that all labor is voluntary and require work permits/lawful employment. Migrant and temporary employees are subject to the same rights, working hours, wages and benefits as regular employees. Employees must not be subject to any threats of termination or repatriation (applicable with employment of foreign migrant workers). ILO Convention 97,181.

Health & Safety

Suppliers must maintain valid health and safety permits, licenses and/or certifications, as required by law for all facilities.

A safe and hygienic working environment must be provided, and occupational health and safety practices which prevent accidents and injury must be promoted. This includes protection from fire, accidents and toxic substances. Safety controls or other precautionary systems must be in place in high risk working areas and for machinery with high risk of causing major injury or fatality. Lighting, heating and ventilation systems must be adequate. Employees must have access at all times to sanitary facilities which should be adequate and clean. Suppliers must have health and safety policies which are clearly communicated to employees. Where residential facilities are provided to employees, the same standards apply. Residential facilities must not be located in the same building as warehousing and/or production facilities.

Suppliers must provide sanitary food preparation and canteen areas and maintain any licenses, permits and certifications, as required by law. The food preparation and canteen areas must be equipped with an emergency alarm system, secondary emergency exit, fire extinguisher(s) and a first aid kit.

Suppliers must have a designated health and safety representation representative to take responsibility for all employees and health and safety records (at a minimum accidents).

Suppliers must have a written safety program, including emergency precautions. In case of severe event or accident, suppliers are required to notify TM within 24 hours.

Suppliers must have a policy governing personal protective equipment identification, use, maintenance and training.

Suppliers must provide health and safety training to all employees.

Environmental Responsibility & Sustainability

Suppliers must comply with relevant national environmental regulations and maintain up-to-date applicable licenses, registrations or permits.

Suppliers must minimize impact on the environment, make progressive improvement in environmental protection and performance in their own operations and require the same of their partners, and subcontractors. This includes: integrating principles of sustainability into business decisions; responsible use of natural resources; adoption of cleaner production and pollution prevention measures; recycling practices and use of renewable energy; and designing and developing products, materials and technologies according to the principles of sustainability. TM encourages suppliers to implement environmental management systems (impact assessment, policy, performance targets, manager responsible for implementation, recording of progress, training), and the use of natural resources including energy use, solid waste management, greenhouse gas emissions, air emissions, wastewater effluent, solid waste management, and hazardous substances.

Suppliers must set annual reduction targets for energy, waste and water with the goal of zero landfill waste and year over year improvement on water and energy and report monthly on their energy and natural resource usage, emissions, discharges, carbon footprint and disposal of wastes.

Chemicals & Hazardous Materials Management

Suppliers must establish a policy governing chemicals and hazardous materials identification, use, maintenance and training. Suppliers must prevent the use of banned chemicals in the workplace and

observe the TM restricted chemical list program requirements for raw materials and finish products¹. Suppliers must communicate and train all employees on the facility's chemicals and hazardous materials policy. Suppliers must ensure safe handling, storage and disposal of chemicals and hazardous materials and ensure such materials are clearly labeled. Suppliers must maintain an inventory of chemicals and hazardous materials as well as all applicable safety data sheets. Documentation including chemical inventories, material testing and product testing reports must be provided to TM upon request.

Business Operations, Homework and Subcontracting, and Supply Chain Management²

Suppliers must not make use of any facility for TM production without written authorization from TM Supplier Responsibility Management. Suppliers must obtain pre-approval in writing from TM for all homework and subcontracting activities, regardless of whether these activities are related to the production or service for the applicable customer. Subcontractors must maintain a valid business license, as required by law, for their operation and any applicable homework engagements. All homework must be documented and monitored by the facility. All subcontractors must agree in writing to the Standards and comply with required monitoring according to TM guidelines.

Suppliers are encouraged to demonstrate awareness of risk within their supply chains (suppliers, subcontractors, and contractors to the facility, and customers and partners of the facility) through a supply chain risk assessment and supply chain monitoring. Any facility standards, including legal standards and customer requirements, must be communicated to the facility's suppliers, subcontractors, contractors, customers and partners.

Conflict Minerals

Suppliers must implement a policy and due diligence process to ensure that products that contain tin, tantalum, tungsten or gold ("conflict minerals") mined in the Democratic Republic of Congo and adjoining countries³ do not directly or indirectly contribute to armed conflict. Suppliers must disclose details regarding smelters and source countries to TM upon request. Dodd-Frank Wall Street Reform and Consumer Protection Act.

Management Systems

To manage compliance with these Standards, suppliers must, at minimum, establish policies governing transparency, inclusive, respectful and positive workplace, freedom of association and collective bargaining, disciplinary practices, working hours, wages and benefits, child labor, forced labor, migrant workers and temporary employees, health and safety, environmental responsibility and sustainability, chemicals and hazardous materials management, business operations, homework and subcontracting, and supply chain management, bribery and facilitation payments and conflict minerals no less restrictive than applicable law, the Standards and TM policies. These policies and the Standards must be posted at the facility, endorsed by executive management, kept up to date as requirements and legislation change, communicated to all employees in documented training, and reviewed on an annual basis. Suppliers must appoint responsibility to personnel for implementing the policies. Suppliers must record and report metrics related to these standards as determined by TaylorMade Furthermore, suppliers must set performance objectives related to labor, grievances, health and safety, environmental performance and sustainability to drive continuous improvement.

¹ Currently there are 12 banned chemicals: Benzene (71-43-2), Toluene (108-88-3), Methylene Chloride (75-09-2), Trichloroethylene (79-01-6), Perchloroethylene (127-18-4), Carbon Tetrachloride (56-23-5), N-Dimethylformamide (68-12-2), Phenol (108-95-2), Cellosolve (110-80-5), Cellosolve Acetate (111-15-9), Methyl Cellosolve (109-86-4), Methyl Cellosolve Acetate (110-49-6)

² A subcontractor, for FFC and TM purposes, is defined as any factory that makes either the full production on behalf of a primary supplier which holds a direct relationship with TM, or a partial component of a finished good. This would include embellishers, as well as fabric or textile mills.

³ Angola, Burundi, Central African Republic, Republic of Congo, Rwanda, South Sudan, Tanzania and Uganda

Suppliers must implement a grievance procedure by which employees can confidentially raise issues of concern to management without fear of reprisal or negative repercussions and include training employees. The grievance procedure must record and track grievances and employees must be made aware of the progress or resolution of any raised grievances. Suppliers must post the Standards Reporting poster in a visible place within the facility where employees may access the information should they need to make anonymous reports of violations of the Standards.

Monitoring and Corrective Action

Suppliers must grant full access to all operations including related documentation and facility-provided housing, and grant permission to conduct confidential employee interviews related to announced or unannounced audits or possible violations of these Standards or its related policies Suppliers must maintain on site all documentation that may be needed to verify compliance with the Standards.

Depending on a facility's operational environment, confidential employee interviews may also be conducted with employees indirectly involved in facility operations, such as canteen, security and cleaning personnel. In addition, interviews with management must foster understanding of suppliers' management systems. Suppliers, together with TM and its authorized representatives, must set corrective action items with appropriate completion dates. Long-term corrective action involves identification of root causes and implementation of management systems to ensure non-compliances are prevented from occurring in the future. TM Compliance Committee will review enforcement action and pursue suspension or termination in cases where the supplier is unwilling or unable to improve compliance with the Standards.