SUPPLIER CITIZENSHIP POLICY

CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT OF 2010 DISCLOSURE

This Disclosure describes Acushnet Company's (the “Company”) efforts to ensure that slavery and human trafficking do not occur in our Company's direct supply chain for tangible goods offered for sale.

The Company has adopted and implemented a "Supplier Citizenship Policy" which describes the business practices and employment standards applicable to the Company's worldwide direct suppliers. Click to view the Supplier Citizenship Policy. Direct suppliers annually receive copies of the Supplier Citizenship Policy and many suppliers post the Policy on site at their various locations.

The Company uses significant efforts to verify the absence of forced labor and child labor in its supply chain, including the following:

Direct Supply Chain Verifications

The Company evaluates actual and potential suppliers according to a risk-based strategy. New supplier screenings are conducted by Company personnel.

Direct Supply Chain Audits

The Company has a multi-faceted program to audit suppliers’ compliance with the Company's Supplier Citizenship Policy. Supplier compliance is monitored by supplier self-assessments, Company questionnaire requirements, Company personnel visits and third party audits. Many suppliers are required to report their compliance (via detailed questionnaire based reports) with the Policy either annually or bi-annually, depending on their risk profile. Various types of audits are conducted, including onsite visits by Company personnel. Periodic unannounced third-party on-site audits for many suppliers are conducted on each of the eleven categories listed in the Supplier Citizenship Policy. If concerns are identified, suppliers must produce corrective action plans describing how they will resolve issues uncovered in audits. The Company may terminate a supplier relationship if serious non-compliance is discovered (such as child or forced labor) if it is not immediately addressed or if other non-compliance continues.
Direct Supply Chain Certifications

The Company’s purchasing agreements require suppliers to comply with all applicable laws and regulations, including local laws regarding forced and child labor. In addition to the requirements of the Company’s Agreements regarding compliance issues, the Company requires direct suppliers to certify that materials incorporated into the Company’s products comply with the laws of the countries where the suppliers are doing business via its questionnaires and audit/corrective action programs.

Company Internal Accountability Standards and Compliance Committee

The Acushnet Company Compliance Committee has worldwide responsibility to address compliance issues related to the Company's business. The Compliance Committee meets regularly and develops policies and procedures for many issues, including provisions in multiple documents prohibiting child or forced labor (e.g., the Company's Supplier Citizenship Policy and Code of Business Conduct and Ethics) and requiring immediate response, should any such circumstances be discovered in its supply chain. Failures to meet any of these standards by employees, contractors or suppliers are addressed by the Committee and by senior management of the Company. The Company will terminate employees and contractors, and it may terminate a supplier relationship if serious non-compliance is discovered (such as child or forced labor) if it is not immediately addressed or if other non-compliance continues.

Employee and Management Training

The Company has an extensive employee compliance training program and trains employees responsible for supply chain management regarding supply chain issues. All worldwide Company employees must comply with the Company's Code of Business Conduct and Ethics, which addresses the principle that child, prison, or forced labor are not permitted at any Company or Company supplier operation. The Company periodically trains employees on these standards, including training for all new employees and refresher training of all Company employees and management, including those who have direct responsibility for supply chain management.

Acushnet Company takes great pride in the integrity of its operations, including those in its direct supply chain. We strive to achieve best practices in everything that we do. Accordingly, we may periodically update this Disclosure to reflect current practices.