

Ryobi CSR Procurement Policy

Promote CSR initiatives in areas including environmental preservation and human rights throughout the entire supply chain by working closely with suppliers, processing vendors, customers and distribution companies.

Basic Approach

Ryobi Die Casting (USA), Inc. recognizes CSR initiatives in today's global society are increasingly important. They have become more diverse and advanced in the effort to address climate change, environmental protection, respect for human rights and improvements to the labor environment. These initiatives can no longer focus solely on a single company, and are being extended to encompass the broader supply chain.

To address CSR Supply chain expansion, and ensure stable and sustainable procurement, Ryobi Die Casting (USA), Inc. has established this CSR Procurement Policy. This policy specifies Ryobi's commitment to building a supply chain that not only ensures quality and supply stability, but also incorporates ethical, environmental, social and human rights considerations. Accompanying the policies, Ryobi has also formulated a supplier code of conduct to provide specific, detailed guidelines for action to further promote CSR throughout the supply chain. Suppliers are required to comply with the code of conduct.

CSR Procurement Policy

1. Establish an internal CSR organization to facilitate CSR initiatives throughout the supply chain.
2. Promote fair transactions grounded in corporate ethics, and comply fully with all laws and regulations, as well as social norms when making purchases.
3. Take into account the impacts that purchasing activities have on the labor environment and health and safety. Also, engage in risk management by responding swiftly to unexpected situations and disclosing accurate information.

4. While appropriately managing chemical substances, pursue raw materials procurement that takes into account impacts on the environment such as green procurement and green purchasing.
5. Support customers IMDS Requirements and RMI CMRT Reporting.
6. Promote dialogue and cooperation with business partners and other stakeholders.
7. Maintain and strive to improve product quality and safety.
8. Respect human rights, eliminate all forms of discrimination, and strive to improve workplace environments. Additionally, do not be complicit in the infringement of human rights in the supply chain, such as through forced labor, slave labor, child labor, and unjust low-wage labor.
9. Do not use minerals from conflict regions or high risk regions, nor minerals that clearly contribute to conflicts or infringe upon human rights.
10. Prevent leaks of confidential information and respect intellectual property rights.
11. Work to exceed customer Diversity sourcing Requirements. Incorporate Diversity Suppliers in Purchasing Strategies, RFQ's, Sourcing Decisions and Employee Annual MBO Performance Reviews.
12. Include CSR performance when selecting business partners. Review CSR initiatives, such as compliance with laws and regulations, respect for human rights, environmental preservation, etc.

CSR Procurement Supplier code of Conduct

I. SUPPLIER OBLIGATIONS

Ryobi expects each supplier to

- 1) know and follow this Code
- 2) report and remediate any non-compliance
- 3) enforce a similar code of practice and require that subcontractors do the same

II. HUMAN RIGHTS & WORKING CONDITIONS

Ryobi believes all people deserve to be treated with respect and dignity, and we expect our suppliers to share and act upon on this same belief.

Ryobi expects each supplier will

- 1) comply with all applicable laws regulating working hours
- 2) provide its employees with compensation and benefits that are fair and comply with applicable laws (work hours)
- 3) provide workers with a clean and safe work environment

Ryobi expects each supplier will not

- 1) use child labor
- 2) compel individuals to provide work or service through the use of force, fraud, or coercion
- 3) allow harassment or discrimination based on age, gender, race, ethnic or social background, national origin, religion or belief, disability, gender reassignment, union activity, political affiliation or any other personal characteristic or status protected by law
- 4) mislead or defraud potential workers about the nature of the work
- 5) ask employees to pay recruitment fees
- 6) confiscate, destroy, conceal, and/or deny access to employee passports or other government-issued identity document
- 7) engage in activities intended to restrict workers freedom of movement

III. ENVIRONMENT & SAFETY

Ryobi expects the supplier will be a good steward of the environment and will commit to responsible environmental practices such as waste avoidance, recycling, and energy conservation.

Ryobi expects each supplier will

- 1) provide a working environment that meets or exceeds applicable safety, occupational health, and fire safety requirements set by applicable laws and regulations
- 2) identify any hazardous materials used in its operations and ensure that they are safely handled, moved, stored, and disposed as required by applicable laws and regulations
- 3) minimize the environmental impact of its operations in reasonable and practicable ways
- 4) preserve water resources and reduce water consumption in reasonable and practicable ways
- 5) minimize emissions that damage air quality in reasonable and practicable ways

IV. SOURCED MATERIAL

Ryobi expects each supplier will source only raw materials that are responsibly produced and avoid the direct or indirect financing of armed conflict, violations of human rights such as child labor, forced labor and slavery, unethical business conduct, or environmental damage.

V. BUSINESS PRACTICES

Ryobi expects each supplier will

- 1) create a work environment which encourages employees to abide by all applicable laws and regulations
- 2) respect the rules of fair competition and comply with anti-trust laws
- 3) protect the intellectual property rights of its business partners
- 4) protect the privacy of its employees and business partners

Ryobi expects each supplier will not

- 1) compromise, or appear to compromise, a Ryobi employee's ability to make objective business decisions by offering a Ryobi employee gifts, services, or favors
- 2) take part in any form of money laundering
- 3) engage in corruption or bribery

VI. IMPLEMENTATION

This Code is part of the contracts entered into between Ryobi and its suppliers, and Ryobi reserves the right to audit and verify supplier compliance.

Violations or suspected violations of this Code can be reported anonymously via Ryobi's third-party administrator, Ethics Point. Ethics Point is accessible on Ryobi's website: www.ryobidiecasting.com.

Ryobi will not take any retaliatory actions against individuals who report a violation or who cooperate in the investigation of a violation reported by someone else.

If a supplier is found to have breached this Code, Ryobi may develop a corrective action plan and monitor improvement progress of the supplier. Ryobi may terminate its relationship with any supplier that repeatedly and knowingly violates this Code and refuses to implement improvement plans.

CSR Procurement KPI's

Agree to Supplier Code of Conduct

Environmental Awareness and effectiveness

Labor and Human Rights compliance

Ethics Agreement to Ryobi Policy and response to Ethics questionnaire

Has Sustainable Procurement Policy, Goals and KPI's

Minimize the number of Suppliers to improve Supplier Control and Leverage

Consider Supplier location when sourcing to minimize Freight impact

Work only with suppliers that have agreed to our Terms and conditions, including our supplier code of Conduct

Looking to the Future

In recent years, there has been an increasing demand for companies to address social issues such as human rights and environmental problems throughout the supply chain. Ryobi Die Casting (USA), Inc. believes that socially responsible procurement must be pursued together with suppliers. It will continue to identify and evaluate progress on CSR practices in all processes, including the procurement of raw materials and supplies across the entire Group, as well as production activities by contractors and processing vendors. Ryobi Die Casting (USA), Inc. will promote greater awareness of human rights, social, environmental, and other CSR issues while mitigating risks across the supply chain.