



2021 SUSTAINABILITY REPORT

MARCH 10TH, 2022





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CEO LETTER



To Our Stakeholders:

We are proud to present Callaway Golf Company's inaugural Sustainability Report, which summarizes our ongoing efforts and focus on corporate sustainability and social responsibility at Callaway, and across all our businesses.

Our late founder Ely Callaway lived by the belief that "good ethics is good business," an ethos that has guided our Company over the past 39 years and continues to be actively reflected in our culture and actions today. We set high standards for our employees and brands, putting significant emphasis on making Callaway a great place to work, while also making a positive impact for the greater good.

Over the past few years, Callaway has transformed from a business almost exclusively dedicated to producing golf equipment, to a multifaceted company with products and operations that span apparel, golf equipment and gear, entertainment, golf technology, and outdoor lifestyle. Throughout each phase of our transformation, we have capitalized on the tremendous opportunity to learn and grow together in the areas of sustainability and social responsibility.

With every acquisition and merger, we gain new perspective on ways of working that improve the total business. For example, Jack Wolfskin is one of the prominent leaders in environmental impact in Europe and has helped advance the production and processes for our apparel and gear business.

Topgolf excels at connecting with the communities where they operate in a meaningful way and prioritizing employee engagement. Our goal is to take the best elements of each company and fuse them together to create a corporate culture and commitment to sustainability that is even stronger than it was before.

Throughout this report, we anchor our sustainability strategy on four key pillars: People, Planet, Product, and Procurement. These key areas of social and environmental impact were identified through an intentional, diligent assessment conducted in 2021 that discovered 15 topics of most importance to Callaway and our underlying businesses. While we have long been focused on leading and improving in these areas, we know that there is always more work to be done, as these topics are more critical than ever before, and will continue to increase in significance in the future.

With this report, we are committing our teams across Callaway, Jack Wolfskin, Odyssey, OGIO, Topgolf, and TravisMathew to the next level of tangible action and look forward to sharing our continued progress with you.

Sincerely,

Oliver "Chip" G. Brewer III
President and CEO

ABOUT CALLAWAY

COMPANY OVERVIEW

Callaway Golf Company (“Callaway” and the “Company”) is an unrivaled tech-enabled golf company delivering leading golf equipment, apparel, gear, and entertainment within a portfolio of global brands including Callaway Golf, Jack Wolfskin, Odyssey, OGIO, Topgolf, and TravisMathew. Incorporated in California in 1982, Callaway was established with the main purpose of designing, manufacturing, and selling high-quality, premium performance golf clubs for every level of player. As the industry grew, the Company evolved as well to become a leading manufacturer and distributor of golf equipment and accessories.

More recently, to diversify the business and create new opportunities for growth, the Company expanded its business to include lifestyle product lines that are complementary to golf, as well as off-course golf and entertainment venues. In 2017, the Company acquired OGIO, a leading manufacturer

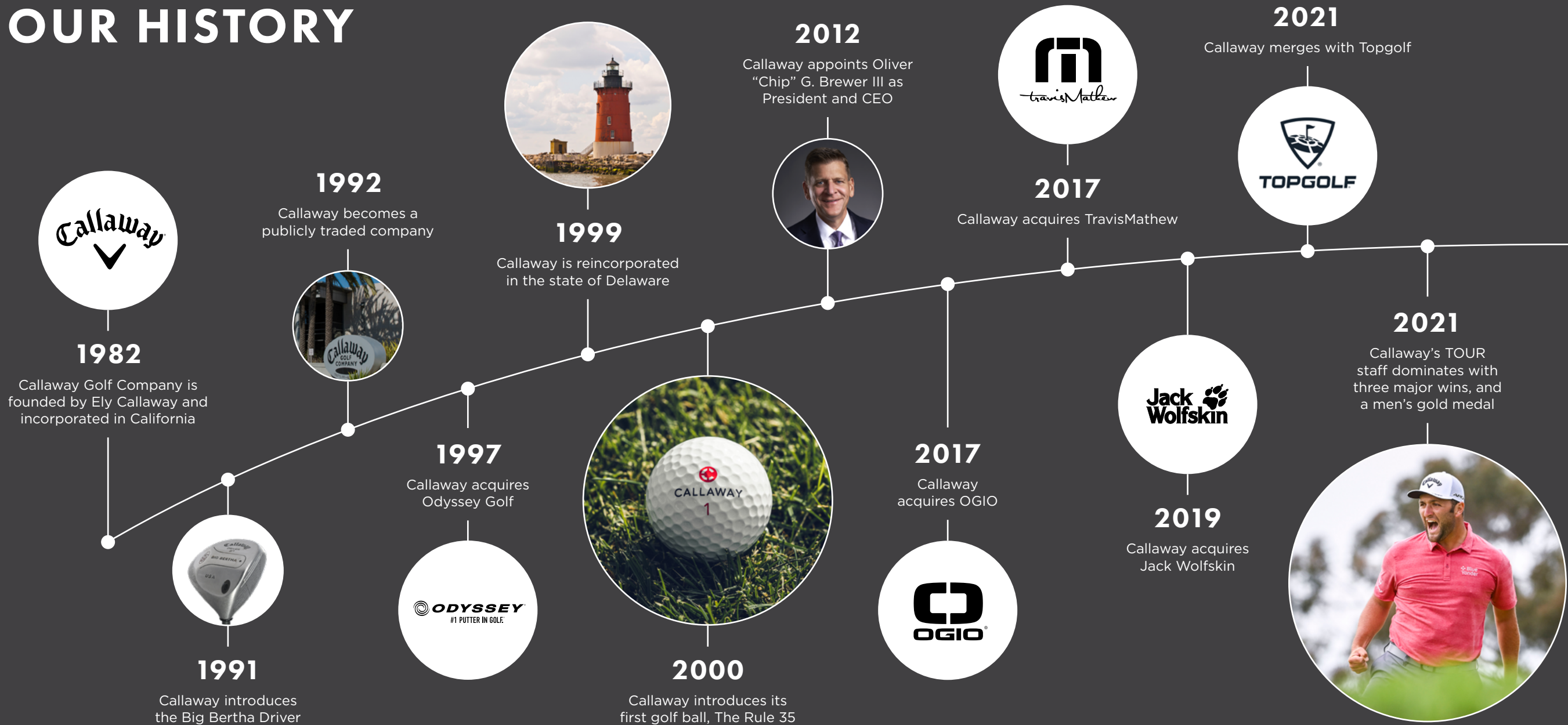
and distributor of premium storage gear for sport and personal use, and TravisMathew, a leading designer and distributor of premium golf and lifestyle apparel, gear, and accessories. In January 2019, the Company acquired Jack Wolfskin, an international, premium outdoor apparel, footwear, and equipment brand, which further enhanced the Company’s lifestyle category and provided a platform in the active outdoor and urban outdoor categories. In March 2021, the Company merged with Topgolf, a technology-enabled global sports and entertainment leader built on a foundation of community, inclusivity, and fun.

OUR CULTURE

Callaway’s brands are driven by good governance and led by ethics and integrity. Our culture is characterized by [our six core values](#), which we expect to be respected and embodied by all employees while working at Callaway.



OUR HISTORY

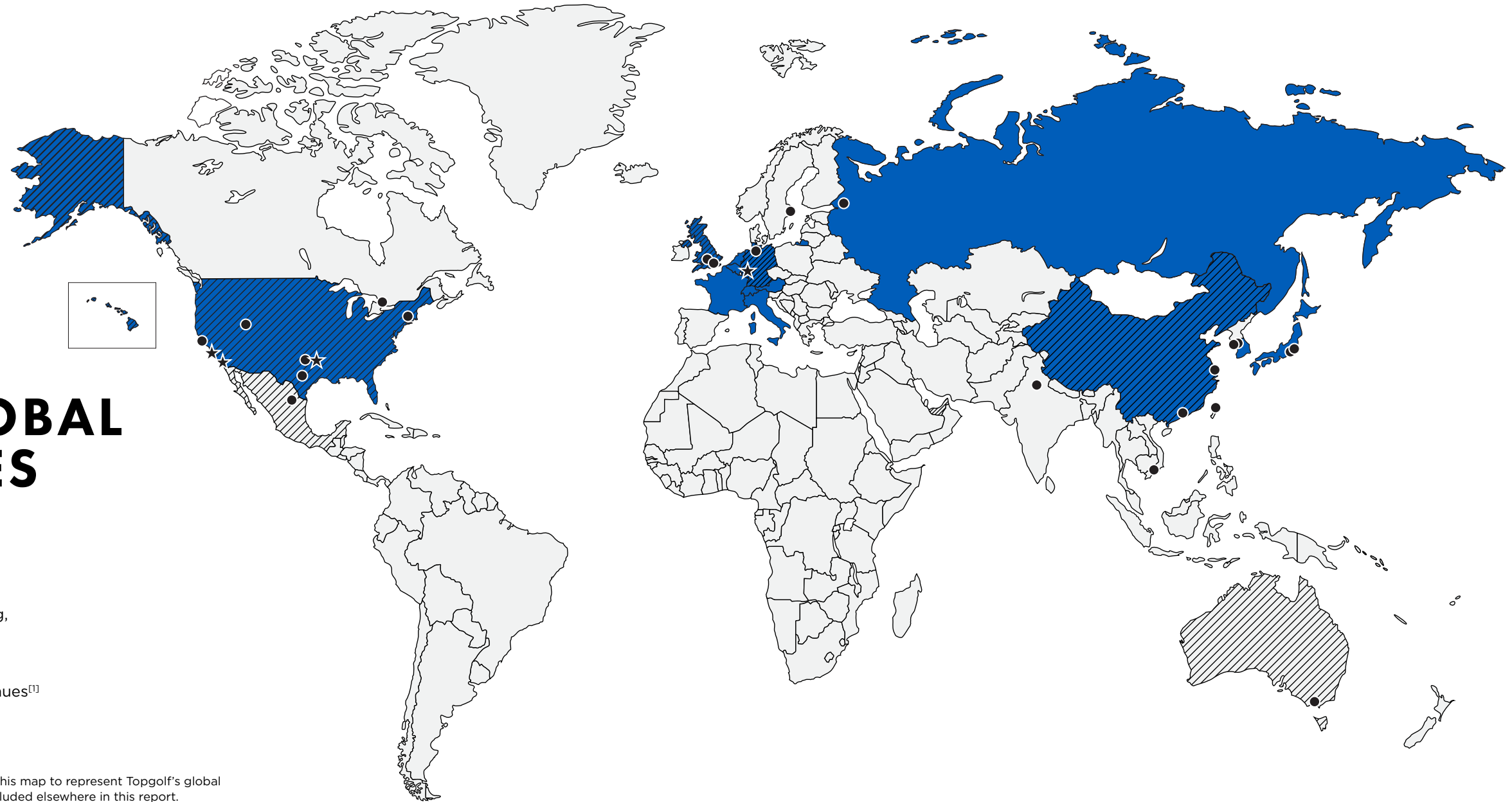


OUR GLOBAL FACILITIES

LEGEND

- ★ Headquarters
- Distribution, Manufacturing, and/or Corporate Office
- Retail Stores
- ▨ Topgolf Entertainment Venues^[1]
- ▩ Retail Stores and Topgolf Entertainment Venues^[1]

[1] All franchise venues are included on this map to represent Topgolf's global reach; however, franchises are not included elsewhere in this report.





OUR CULTURE

ALWAYS COMMIT TO DOING WORK YOU ARE PROUD OF



01. BE HUMBLE AND HUNGRY

02. ACT WITH INTEGRITY AND RESPECT

03. DARE TO BE GREAT

04. DO WHAT YOU SAY YOU'RE GOING TO DO

05. PUT THE TEAM AND CUSTOMER BEFORE SELF

06. ONE TEAM - ONE COMPANY

DSPD DEMONSTRABLY SUPERIOR
& PLEASINGLY DIFFERENT

OUR BRANDS

Callaway Golf and Odyssey

[Callaway Golf](#) designs, manufactures, and sells a full line of premium golf equipment and performance apparel and accessories for every type of player. The brand's golf equipment includes best-selling woods and irons, hybrids, wedges, and innovatively designed golf balls. Callaway is the parent company of Odyssey, the #1 Putter in Golf® and the #1 Putter on TOUR®.^[1] This complete equipment line is engineered to provide the best performance for all skill levels, from developing golfers to TOUR professionals.

Jack Wolfskin

[Jack Wolfskin](#) is a globally leading provider of premium German-engineered outdoor apparel, footwear, and equipment. The company was founded in 1981 with a mission to inspire all explorers to discover through shared, transformative outdoor experiences wherever they are. Jack Wolfskin has grown to become a leading outdoor brand across Europe and Asia. The brand is rooted in sustainability and focused on designing ethical and eco-conscious products, as well as promoting fair and humane working conditions. Jack Wolfskin has been a member of the multi-stakeholder initiative Fair Wear Foundation since 2010, as well as a bluesign® system partner since 2011.

OGIO

One of the golf industry's leading bag brands over the past 30 years, [OGIO](#) makes innovatively designed and uniquely styled sports bags, travel bags, and business bags. Athletes from the

worlds of golf, skate, snow, surf, and BMX put their trust in the protection, comfort, organization, and style of OGIO products. OGIO continues to innovate better solutions for carrying gear and is committed to creating sustainable products with recycled materials and products that are built to last.

Topgolf

[Topgolf](#) is a technology-enabled global sports and entertainment community, connecting people in meaningful ways through experience, innovation, and fun. What began as a simple idea to enhance the game of golf has grown into a movement where people from all walks of life connect at the intersection of technology and sports entertainment. Topgolf's platforms include Topgolf venues around the globe, Topgolf Media, and its Toptracer ball-flight tracking technology.

TravisMathew

[TravisMathew](#) is a Southern California-based leading innovator in lifestyle and performance apparel, footwear, and accessories. Using best-in-class fabrications and designs, the brand is pushing forward a growing market trend toward casualization. By offering hundreds of unique designs across frequent new product releases, TravisMathew is establishing a new standard for the young professional with the long-term goal to become the top premium menswear brand in the United States while expanding its global presence. Additionally, TravisMathew constantly strives to challenge itself to discover innovations in design, production, and technology.

^[1] #1 Putter on TOUR based on putter usage across all major tours according to 2021 Darrell Survey Data.



OUR APPROACH TO SUSTAINABILITY



Callaway has a long history of conducting business in a responsible manner, and we are dedicated to upholding a values-based culture. Among our core values is a statement professed by our late founder Ely Callaway, who believed that “good ethics is good business.” This belief has guided Callaway’s improvements in social and environmental performance over the years and has inspired us to take a new step forward in our approach to sustainability, transparency, and accountability. As part of our ambition to drive continuous improvement throughout our operations and supply chain, we have established a Global Sustainability Program to lead Callaway’s sustainability strategy in the future. We have also committed to publishing a bi-annual Sustainability Report, which will improve transparency in our business and aid us in our future sustainability efforts. Publishing this Sustainability Report with 2021 as our baseline year reflects our desire to “do the right thing” for our stakeholders by acting in the best interest of our people, our planet, and our company.



CALLAWAY GLOBAL SUSTAINABILITY PROGRAM

In 2019, at the direction of our Chief Executive Officer with oversight from the Board of Directors (“Board”), Callaway formally launched our Global Sustainability Program. The goal of this program is to bring increased awareness and structure to our existing social and environmental sustainability initiatives, while also enhancing our sustainability efforts across our global businesses. In connection with launching the Global Sustainability Program, Callaway established an Executive Sustainability Committee comprising our Chief Executive Officer, Chief Financial Officer, all other executive officers, and the General Counsel. A Sustainability Core Team meets and then reports progress of the Global Sustainability Program quarterly to the Executive Sustainability Committee. Members of the Sustainability Core Team, known as Sustainability Champions, are employees who have been selected from throughout the organization to drive large-scale global projects that build upon our existing environmental and social sustainability efforts. Sustainability Champions also promote smaller-scale employee-driven initiatives at the local levels.

The goal of this program is to bring increased awareness and structure to our existing social and environmental sustainability initiatives, while also enhancing our sustainability efforts across our global businesses.

The Company’s entire Board oversees the Global Sustainability Program and receives a comprehensive report regarding the program’s initiatives and progress on an annual basis. Additionally, the General Counsel of the Company provides a quarterly update to the Board’s Nominating and Corporate Governance Committee on the Company’s latest third-party scores on environmental, social, and governance (“ESG”) topics to maintain a consistent pulse on the Company’s ESG performance.

The Global Sustainability Program has played an integral role in assessing the Company’s material ESG concerns and developing the Company’s sustainability strategy, goals, and inaugural Sustainability Report for 2021. The Global Sustainability Program has also introduced a variety of new initiatives across the Company, including: establishing a quarterly internal sustainability newsletter; enhancing sustainability content on Callaway’s website; and engaging employees globally to devise new sustainability action plans for the Company’s various brands and workspaces. Each quarter, our Sustainability Core Team convenes to share updates and progress on its latest initiatives and discuss overall program strategy.



Our analysis identified **15 key environmental and social topics** that are perceived to have the most significant impact on Callaway's business and stakeholders.

MATERIALITY ASSESSMENT AND STAKEHOLDER ENGAGEMENT

In 2021, as the next step in developing our Global Sustainability Program strategy, Callaway conducted our first Company-wide materiality assessment referencing the Global Reporting Initiative ("GRI") Standards (the "materiality assessment"), to determine the environmental and social sustainability topics of greatest importance to our stakeholders and of most significance to our business. For purposes of this assessment, stakeholders were defined as those who are affected by our activities and whose actions have the potential to affect the outcome of our business activities, including investors, suppliers, customers, consumers, athletes, industry peers, and employees. We conducted a multi-stakeholder engagement process and utilized a materiality assessment survey to help us understand and prioritize our environmental and social sustainability topics. The stakeholders who were identified and participated in the materiality assessment survey were employees across all of our brands, our suppliers, customers, Board members, and investors. In addition, as part of an ongoing effort to benchmark against best practices, inform decision-making, and stay up-to-date on issues related to our material topics, Callaway regularly engages with a variety of external stakeholder groups throughout the year, including professional associations, non-governmental organizations ("NGOs"), regulators, retailers, our suppliers, and our customers.

The assessment was led by a subset of our Sustainability Core Team, who identified potential environmental and social topics likely to affect the financial conditions or operating

performances of companies in the consumer goods, apparel, and entertainment sectors. Topics were selected and benchmarked from reporting standards and sources, such as the GRI Standards, the Sustainability Accounting Standards Board, the Taskforce on Climate-Related Financial Disclosures ("TCFD"), as well as through discussions with internal and external subject matter experts. The results from the materiality assessment survey were discussed with and approved by our Executive Sustainability Committee, and inform our goal-setting, sustainability strategy, and reporting procedures.

Our analysis identified [15 key environmental and social topics](#) that are perceived to have the most significant impact on Callaway's business and stakeholders. Based on the outcome of the materiality assessment survey, the Company will be focusing on the following four priority topics: 'Product Design and Innovation' and 'Climate Change' for environmental topics, and 'Employee Attraction and Retention' and 'Diversity, Equity, and Inclusion' for social topics. 'Product Design and Innovation' is a core element of Callaway's business and presents many opportunities for the Company to improve our environmental performance. 'Climate Change' is a topic that affects all of Callaway's stakeholders and has been identified as a critical issue for responsible companies to manage. 'Employee Attraction and Retention' is a principal concern for Callaway's most important asset — our employees — as is 'Diversity, Equity, and Inclusion.' Together, these two social topics are essential to sustaining Callaway's strong corporate culture and position as an industry leader.

MATERIAL TOPICS

MATERIAL TOPIC	DESCRIPTION
ENVIRONMENTAL	
Climate Change	Managing risks and opportunities associated with climate change (i.e., measuring greenhouse gas emissions and setting goals to reduce the associated carbon footprint).
Energy Management	Baselining energy use and driving improvements through efficiency and renewable energy objectives.
Materials Sourcing and Efficiency	Implementing processes for the selection of sustainable and ethically sourced materials (i.e., locally sourced, conflict-free, and environmentally sustainable).
Product Design and Innovation	Pioneering new sustainable product offerings, materials, packaging, and manufacturing processes.
Product Lifecycle Management	Integration of all aspects of a product, taking it from conception through the complete product lifecycle to disposal of the product and its components.
Waste and Recycling	Applying waste management principles to prevent, minimize, reuse, and recycle materials used in products and packaging.
Water and Wastewater Management	Implementing sustainable practices to reduce usage and ensure water quality is protective of consumers, workers, and the environment.

MATERIAL TOPIC	DESCRIPTION
SOCIAL	
Diversity, Equity, and Inclusion	Recruiting, developing, and promoting a diverse and inclusive workforce at all levels of the company.
Employee Attraction and Retention	Policies and programs to hire new talent and keep turnover low.
Employee Engagement	Encouraging professional and personal growth of company employees.
Health and Safety	Well-being of company employees, workers at our suppliers, and customers at our facilities.
Labor Practices and Human Rights	Upholding commonly accepted labor standards in the workplace (i.e., compliance with labor laws and internationally accepted norms and standards) including basic human rights (i.e., fair wages, no child/forced labor, etc.).
Local Communities	Positively engaging and supporting people in communities in which we operate.
Procurement Practices	Policies in place to ensure components and finished products are ethically sourced.
Product Quality and Compliance	Testing products for compliance with quality standards and restricted chemical guidelines.

SUSTAINABILITY STRATEGY FRAMEWORK

Building upon the results of the materiality assessment, Callaway developed a sustainability strategy framework, which is a visual representation of the Global Sustainability Program’s strategy for the Company’s global business and brands. This framework considers Callaway’s four priority material topics along with the additional eleven material topics discussed in the [Materiality Assessment and Stakeholder Engagement section](#). It comprises four key pillars: People, Planet, Product, and Procurement.

The pillars relate to our four priority topics in that People is tied to ‘Employee Attraction and Retention’ and ‘Diversity, Equity, and Inclusion,’ Planet is driven by ‘Climate Change,’ and Product and Procurement are connected to ‘Product Design and Innovation.’ The other eleven material topics are categorized under the relevant pillars as well. Callaway’s commitment to conducting business with ethics and integrity governs our approach to managing these four pillars, which is why ‘Good Governance: Ethics and Integrity’ spans across the top of the framework. Along the bottom, each pillar is supported by our inclusive, collaborative, and innovative culture, which serves as the foundation of our strategy.

SUSTAINABILITY STRATEGY

GOOD GOVERNANCE: ETHICS AND INTEGRITY



PEOPLE

Employees
Suppliers
Local Communities



PLANET

Energy Management
Climate Change and Emissions
Waste Management and Recycling
Water and Wastewater Management



PRODUCT

Product Design and Innovation
Product Management
Product Quality and Compliance



PROCUREMENT

Procurement Practices
Supplier Assessment and Engagement

OUR CULTURE

BE HUMBLE AND HUNGRY • ACT WITH INTEGRITY AND RESPECT • DARE TO BE GREAT
DO WHAT YOU SAY YOU’RE GOING TO DO • PUT THE TEAM AND CUSTOMER BEFORE SELF • ONE TEAM — ONE COMPANY

GOOD GOVERNANCE



At Callaway, we conduct our business with the highest standards of ethics and corporate integrity. Following our belief that “good ethics is good business,” we are proud of the ethical way we have governed and operated our business to date, and we remain firmly dedicated to continuing to do so in the future.

COMMITMENT TO ETHICS AND INTEGRITY

Our [Code of Conduct](#) is integral to Callaway’s commitment to conduct our global business honestly, ethically, and legally. It contains our core ethics-related policies and outlines our shared values and expectations of conduct. It also covers important topics such as anti-corruption, bribery, harassment, and policies regarding political contributions, among others. The Code of Conduct applies to all Board members, officers, and employees of our Company and its subsidiaries.

Callaway’s Code of Conduct also provides the foundation for our [Environmental, Health and Safety \(“EH&S”\) Policy](#), which establishes our commitment to conduct business safely and in compliance with all applicable environmental laws, rules, and regulations. We accomplish this by establishing policies, setting expectations, and providing leadership, technical and

professional expertise, and education throughout our operations and supply chain. Our EH&S Policy empowers employees and suppliers at all levels to promote safe and environmentally responsible practices and aligns with our culture to always act with integrity and respect. Callaway’s EH&S Program is overseen by our Senior Director of Facilities and EH&S, Executive Vice President of Global Operations, and ultimately the CEO of the Company. Our EH&S Policy further establishes direction to conduct business in a sustainable and safe manner.

Callaway requires all employees to report any acts that violate our Code of Conduct to Human Resources, Legal Department, Chief Ethics Officer, or the Chief Executive Officer in accordance with the terms of the Code of Conduct. In addition, the Chief Ethics Officer provides quarterly updates to the Board regarding any complaints relating to accounting, internal controls or auditing matters, actual or potential violations of the Code of Conduct by officers, as well as actual or potential conflicts of interest.

Callaway’s suppliers are important partners in delivering high-quality and innovative products. They are required to adhere to our [Supplier Code of Conduct](#), which sets the minimum standards that our Company and our subsidiaries expect them to meet. The Supplier Code of Conduct is designed to ensure that all Callaway suppliers adhere to socially and environmentally responsible business practices, and that all products made for us are produced under lawful, humane, and ethical conditions.

We also make sure we act with integrity and respect on social issues that are important to Callaway and our stakeholders. This includes our commitment to respect internationally recognized human rights throughout our global operations, in alignment with the Universal Declaration of Human Rights (“UDHR”)^[1], and is represented in our [Human Rights Policy](#). Callaway’s culture is rooted in our people and is what brings us together as a team, company, and industry leader.

The Company also has a Compliance Committee that reviews compliance issues globally and develops systems and procedures that address these issues. The Compliance Committee is led by the Compliance Officer (currently, the Company’s General Counsel), who has been appointed by the Company’s Board, and meets on a quarterly basis. The Committee members consist of key stakeholders throughout the global organization. During these meetings, the Compliance Committee members discuss the progress made for each of the specific and ongoing compliance-related matters and add new matters as necessary in order to ensure that the Company continues to have an effective compliance program.

[1] The UDHR is based on the United Nations General Assembly Resolution 217A.

CORPORATE GOVERNANCE

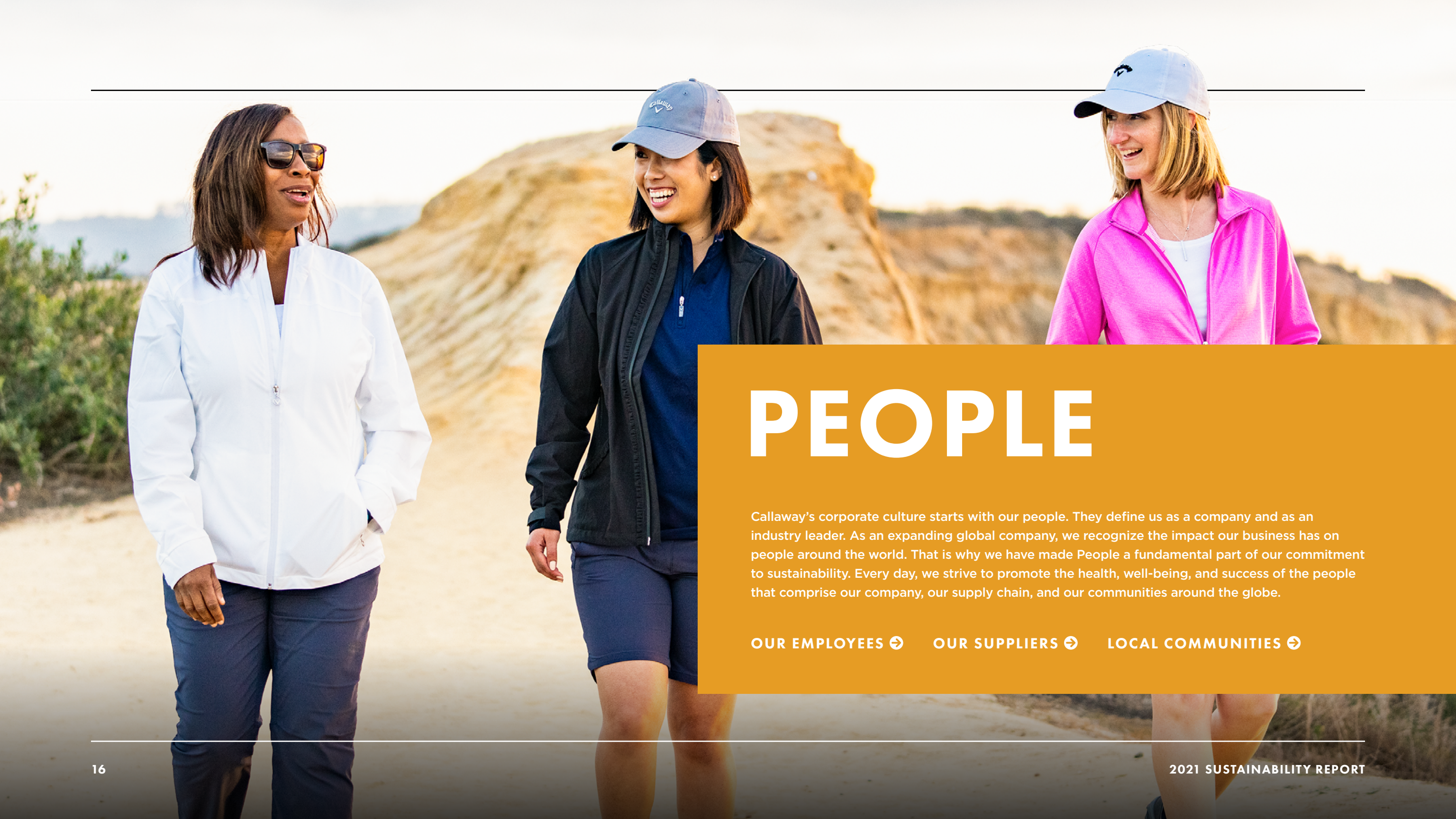
The Company’s [Board](#) and senior management team are committed to governing Callaway with the highest standards of ethics and integrity. Our strong corporate governance practices position our business for growth and creating long-term value for all of our stakeholders. The Board is currently comprised of 13 members and is led by an independent, non-executive Chairman. The [Audit Committee](#) oversees the financial, risk, and compliance reporting. The [Compensation and Management Succession Committee](#) monitors succession planning for executive officers and sets compensation policies and programs. The [Nominating and Corporate Governance Committee](#) recommends, reviews, and assesses candidates, along with setting corporate governance policies and guidelines.

The Company’s entire Board oversees the Global Sustainability Program, and the Board’s Nominating and Corporate Governance Committee reviews the Company’s ESG performance on a quarterly basis. For further information on Callaway’s business, please see our [Investor Relations website](#).

Callaway is committed to inclusiveness and to ensuring a diverse Board. In addition to the criteria for a Board member as set forth in the Company’s Corporate Governance Guidelines, the Board believes that the Board, as a whole, should possess a combination of skills, professional experience, and diversity of backgrounds necessary to oversee the Company’s business. As such, when considering a potential new candidate, the Board considers whether a potential new director would increase the ethnic, gender, or cultural diversity of the Board, as the Board

believes that such diversity is important and can provide distinct value. The Board currently includes three female members and two members who self-identify as members of an underrepresented community. The Board believes its composition appropriately reflects the knowledge, experience, skills, and other characteristics required to fulfill its duties. In addition to this, our directors are diverse in age, race, and gender, which we believe allows our directors to better represent our customers, employees, shareholders, and the communities we serve.





PEOPLE

Callaway's corporate culture starts with our people. They define us as a company and as an industry leader. As an expanding global company, we recognize the impact our business has on people around the world. That is why we have made People a fundamental part of our commitment to sustainability. Every day, we strive to promote the health, well-being, and success of the people that comprise our company, our supply chain, and our communities around the globe.

[OUR EMPLOYEES ↻](#)

[OUR SUPPLIERS ↻](#)

[LOCAL COMMUNITIES ↻](#)

OUR EMPLOYEES



EMPLOYEE ATTRACTION AND RETENTION

Callaway's employees and the employees of our subsidiaries are our most valuable assets. They drive our culture and the success of our business. Every day, we challenge our employees to "dare to be great." Our Company strives to do the same by cultivating a workplace and a culture that brings out the best in our employees. We seek to attract and maintain the highest quality talent by offering competitive benefits and wellness services, opportunities to grow professionally, and regular performance evaluations, among other initiatives.

Our commitment to our employees is also demonstrated in the way we design our compensation and benefits programs. Callaway currently offers competitive compensation and a full suite of benefits, including comprehensive health, life, and disability insurance coverage and a retirement plan with matching benefits. We also offer our Callaway and Jack Wolfskin employees in the U.S. the ability to participate in wellness programs and incentives that can reduce employee health care costs. Participants and their spouses who choose to participate in an annual exam with their personal physician

receive discounted medical payroll deductions each pay period. Participants can also earn cash rewards through preventive care activities such as cancer screenings, dental check-ups, and weight loss or exercise programs. Additionally, we also provide an Employee Assistance Program to all employees. Some offices and facilities provide fitness facilities, yoga and exercise programs, and education addressing physical, mental, social, nutritional, and financial health.

We encourage the professional and personal growth of our employees through annual performance reviews and a variety of training programs. For the 2020 annual review period, which concluded in Q1 of 2021, 86% of Callaway U.S.^[1] and 98% of Topgolf U.S. eligible full-time employees received performance reviews and Callaway U.S.'s 2,052 employees received over 3,800 total hours of core training, including Code of Conduct, Anti-Corruption, Safety, and Diversity, Equity, and Inclusion training, as well as leadership training. We require all new Callaway hires to complete training on our Code of Conduct, which includes Insider Trading, Anti-Bribery, Open Door Policy, and Global Conduct Expectations training. Periodic training on our Code of Conduct and legal compliance is also provided for existing employees. We further develop and promote talent from within our Company through the Callaway Emerging Leaders Program, Callaway Leadership Academy, and Manufacturing Leadership Training Program.

[1] Data reported as "Callaway U.S." includes the following Company locations: Callaway Corporate Headquarters; TravisMathew Headquarters; Jack Wolfskin North America Office; Chicopee Golf Ball Operations; North America Distribution Center; Callaway Golf Interactive; TravisMathew Retail Stores.

Emerging Leaders Program

Callaway's Emerging Leaders Program ("ELP") is designed to identify high-performing employees in all U.S. departments throughout Callaway, Jack Wolfskin, and TravisMathew and prepare them for leadership roles within our organization. The ELP's 12-18 month-long curriculum combines classroom training with hands-on, experiential learning. ELP participants convene several times a year to discuss topics that include Appreciating Differences, Motivating Workforces, Identifying Work Priorities, and Developing Leadership Presence. The ELP also hosts several guest speakers annually to discuss leadership topics. Participants are given opportunities to apply these discussion topics with practical, on-site experiences. For example, our inaugural ELP group received hands-on manufacturing training at our golf ball facility in Chicopee, Massachusetts, and our club assembly plant in Monterrey, Mexico. Our most recent participants received experiential training at our North American Distribution Center ("NADC") in Fort Worth, Texas and completed a leadership tour of a Topgolf venue. Our most recent 2021 group graduated with 21 emerging leaders from the program.

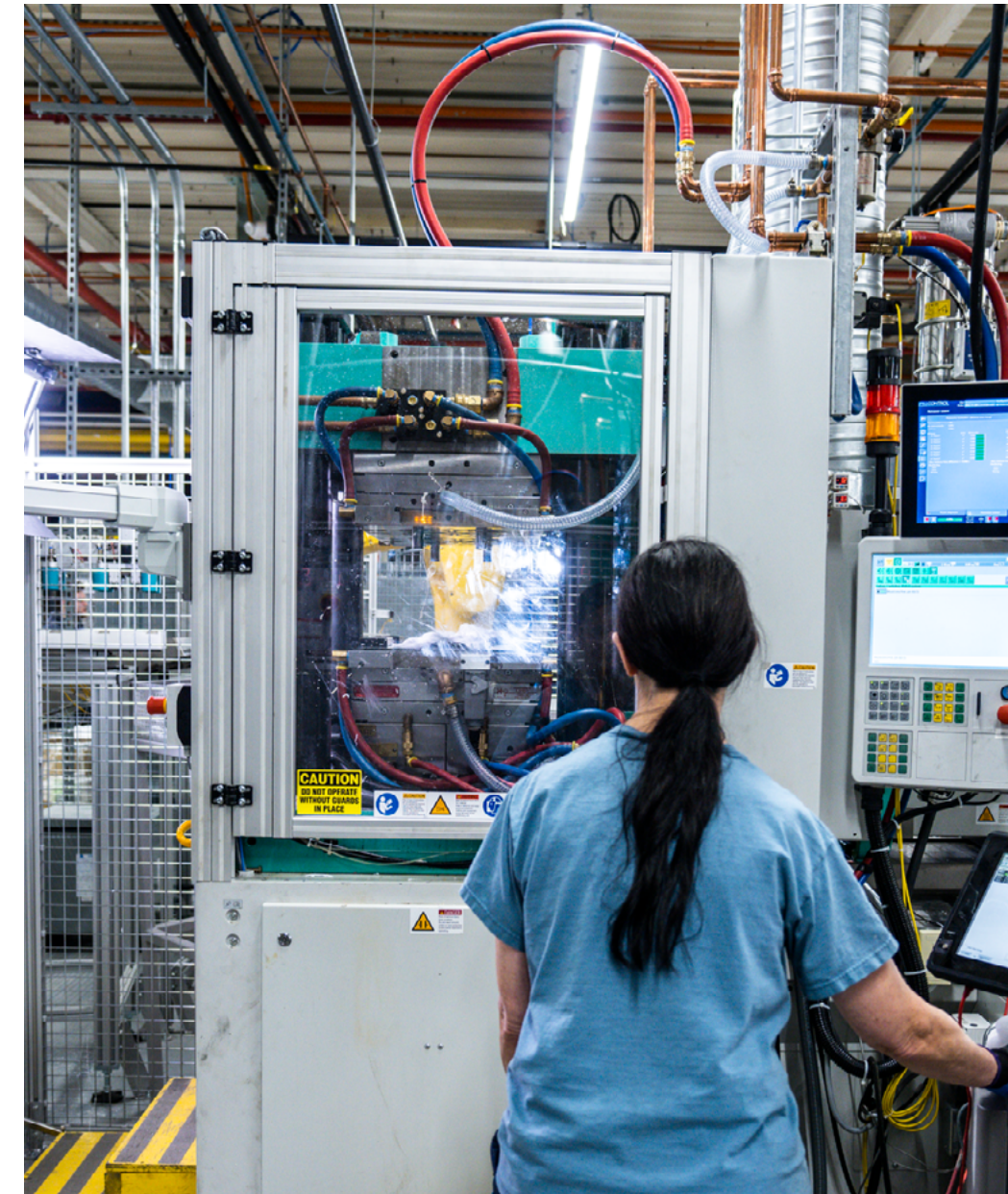
The ELP's **12-18 month-long curriculum** combines classroom training with hands-on, experiential learning.

Callaway Leadership Academy

The Callaway Leadership Academy is a training program available to all our management-level Callaway employees in the United States. It is designed to help Callaway managers better understand their strengths, weaknesses, opportunities, and limitations as leaders in the Company. The goal of our Leadership Academy is for participants to apply their improved self-awareness to more successfully develop, manage, and lead their teams. Periodic training topics have included topics such as Myers-Briggs, Appreciating Difference, Change Management, Correcting Performance Problems, and Adapting to Constant Change.

Manufacturing Leadership Training

Callaway's Manufacturing Leadership Training Program targets supervisors and managers at the Company's NADC and Chicopee, Massachusetts golf ball manufacturing plant. It aims to continuously enhance the manufacturing leadership team to develop and cultivate its leadership skills. Participants are invited to take courses throughout the year anchored in foundational management competencies.



ENGAGEMENT AND SATISFACTION RESULTS



74%

survey response rate for salaried^[1] employees at Callaway U.S.



77

rate of engagement^[2] among salaried^[1] employees at Callaway U.S.



67%

survey response rate for Topgolf salaried and hourly global associates



75

rate of engagement^[2] among Topgolf salaried and hourly global associates



71%

survey response rate for TravisMathew full-time corporate associates



72%

satisfaction^[3] rate among TravisMathew full-time corporate associates

[1] Salaried employees are defined as U.S. employees outside Callaway’s union and warehouse hourly workers.

[2] Engagement score is measured on a scale from 0–100 based on two items: “How happy are you working at [Callaway or Topgolf]?” and “Would you recommend [Callaway or Topgolf] as a great place to work?”

[3] Satisfaction rate includes both ‘Agree’ and ‘Strongly Agree’ ratings on the 5-Point Likert Scale.

EMPLOYEE ENGAGEMENT

Callaway strives to create a culture where every voice matters and our employees feel engaged in their work. Beginning with the onboarding process and throughout their career, we create moments for our employees to share their perspectives and insights into how we can improve the way they work and their environment. Through informal discussions with leaders and more formal engagement surveys, we are able to gauge what is most important. Our ability to make improvements based on employee feedback and measure engagement regularly helps us build and maintain trust levels with our employees.

We encourage all of Callaway’s new hires to complete a nine-question survey after their first 45 days at Callaway. The results are reviewed and compared to past trends on a quarterly basis, which informs the management teams of areas that may need to be addressed. Results from the new hire surveys have improved Callaway’s New Employee Welcome Guide for managers and have increased proactive communication between HR and hiring managers.

We also conduct periodic employee surveys to assess the satisfaction of TravisMathew’s employees and the engagement of Callaway’s Corporate Headquarters, NADC, and Chicopee salaried employees^[1], as well as Topgolf’s global associates. Our leaders in each department share results with their team to identify drivers of engagement and develop a plan of action. Leaders subsequently meet with their teams to implement agreed-upon solutions. High-level survey results

are also reviewed by our CEO and executive team. In addition, we use a trend analysis from previous reports to assess long-term trends in survey results. If issues are repeatedly identified in particular areas, we conduct narrower pulse surveys to address issues more rapidly.

Callaway is also proud of the opportunities we offer employees to engage with their local communities. The Callaway Golf Company Community Giving Program is led by a team of volunteer employees at Callaway who plan volunteering initiatives and product donations to support communities in the San Diego, California area. Employees from our global subsidiaries also engage in a variety of volunteer initiatives to give back to their local communities. These engagement efforts encourage our employees to collaborate, build unity, and strengthen our company culture.

Topgolf employees volunteer in clean up efforts with local charities, mentor at the Boys and Girls Club, and participate in the Urban League Bright Start Program. Topgolf’s Driving For Good program assists qualified charities to raise funds and increase their goodwill. Furthermore, Topgolf engages and supports its employees through Topgolf Cares. Topgolf Cares is a registered 501(c)(3) charitable organization and program funded by Topgolf associates, designed to provide temporary relief to members of the Topgolf family who are experiencing unforeseen hardships.

More information about our community engagement programs can be found in [Local Communities](#).

Engaging Our Employees During the Pandemic

COVID-19 presented Callaway, our employees, and our stakeholders with unprecedented challenges. Throughout the pandemic, the health, safety, and well-being of our people remained our number one priority. We maintained a constant dialogue with our teams around the world to ensure our response was unified, supportive, and adaptive.

At the onset of the pandemic, we established a global COVID-19 Core Team at Callaway, including senior leadership, to strategize about impacts to employees and customers, develop and implement comprehensive COVID-19 policies, procedures, and reopening plans, and train employees on site-specific protocols. Our Core Team quickly implemented a Facility Readiness Plan to manage safety protocols, which included mask-wearing, social distancing, contact tracing, and on-site sanitation. Procedures were kept up-to-date in accordance with the most stringent local and regional guidelines from the Centers for Disease Control and Prevention and other ruling health organizations around the world. Our offices instituted a voluntary remote work policy for all associates who were able to work remotely, as well as paid sick time before federal relief programs were in place. We also provided our employees with temperature checks, masks, and hand sanitizer at our locations where resources were needed. In addition, the Callaway NADC and Jack Wolfskin warehouse staff sewed masks to donate to employees and healthcare workers when surgical masks were in short supply.

The Core Team at Callaway held weekly meetings throughout the beginning of the pandemic, which were later adjusted to a monthly basis, and each of our sites assembled a committee to stay up-to-date on the latest local developments. Leveraging knowledge of early pandemic developments from our offices in China, we implemented COVID-19 protocols quickly, which included immediate travel restrictions to ensure the safety of our employees. As borders close and reopen and circumstances change, we continuously monitor the safety and accommodation of our employees during global travel and assess whether or not it is critical for our employees to travel.

Our policies and procedures have been guided by the latest scientific developments and recommendations by leading health authorities and the Core Team at Callaway has been committed to engaging in an open dialogue with our employees over our response measures. Employee feedback has indicated that the protocols we implemented have been appropriate for the times.

Callaway and our subsidiaries took additional steps to promote employee well-being early in the pandemic. Callaway and Jack Wolfskin employees in the U.S. were distributed healthy snack boxes to their homes. To ensure our U.S. Topgolf venue employees had access to hot meals at the beginning of shelter-in-place mandates in 2020, a majority of the Topgolf venues prepared hot meals for Topgolf employees to pick up. Twice a day, the Topgolf employees could stop by their venue to collect bags of food from volunteers while maintaining social distancing outside.

This effort allowed Topgolf to prevent kitchen supplies from going to waste while also doing a small part to ensure that the Topgolf associates who were temporarily furloughed did not face food insecurity. In total, we estimate that each participating venue served between 1,000 and 1,500 meals.





DIVERSITY, EQUITY, AND INCLUSION

The Importance of Diversity, Equity, and Inclusion

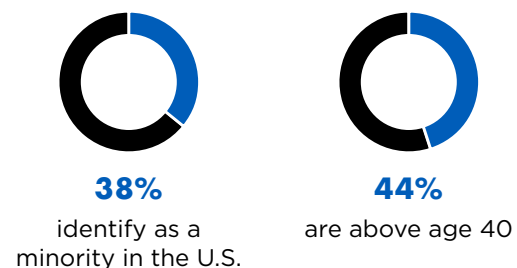
Callaway embraces a culture of being One Team — One Company. As our global footprint grows, we work daily with teams from around the world who each bring a unique skill set and perspective to our business. Callaway and its subsidiaries have diverse employee bases with a wide range of cultures, experiences, talents, capabilities, and perspectives, and we firmly believe that ethnic, gender, and cultural diversity provide distinct value to our company. That is why we are committed to recruiting, developing, and promoting a diverse and inclusive workforce while offering opportunities and career paths for our employees. We seek to hire the best qualified individuals and do not discriminate on the basis of actual or perceived race, creed, color, religion, national origin, citizenship status, age, disability, marital status, sexual orientation, gender, gender identity, and similar classifications. Moreover, we foster a culture of respect for one another's differences regardless of background, culture, or work experience. We believe a commitment to Diversity, Equity, and Inclusion improves trust and engagement among all our stakeholders and drives a positive, safe, empowering, and accepting culture.

Callaway has an ongoing commitment to increase the number of women and diverse candidates throughout all levels of management. We require all our Callaway U.S. employees to complete Diversity, Equity, and Inclusion and Unconscious Bias training, and members of Callaway's Emerging Leaders Program also participate in Breaking Through Bias training. We strive to bring more women and minorities into the game of golf and remain dedicated to making the sport we love more accessible to a diverse range of customers. To achieve this, Callaway promotes a variety of Diversity, Equity, and Inclusion initiatives within our Company and throughout our local communities.

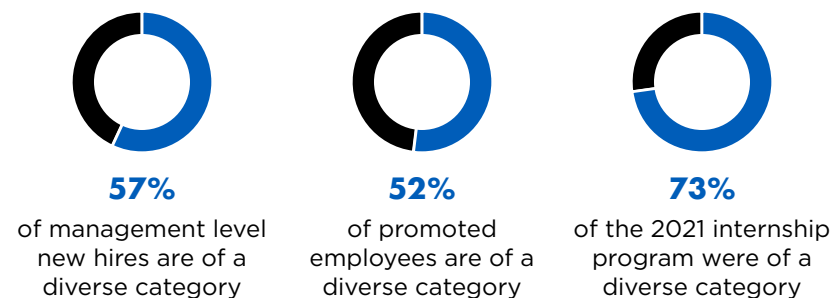
Since 2019, **more than half** of Callaway U.S. management-level new hires and promotions have been of a diverse category — that is non-white, female, or both.

Diversity of Our Employees

We acknowledge that systemic inequalities due to ethnic, gender, and racial differences remain persistent, and we are committed to making Diversity, Equity, and Inclusion a fundamental component of our hiring process. For Callaway's 2,052 U.S. employees:



In 2021, Callaway U.S. achieved several hiring goals for employees of a diverse category, which encompasses employees who are non-white, female, or both.



Diversity, Equity, and Inclusion Initiatives

- Since 2019, Callaway has sponsored Howard University's Golf Team through a partnership with NBA superstar, Stephen Curry, as part of the ongoing efforts to increase diversity and inclusion in (and awareness of) golf. Recently, Callaway also expanded our partnership with Howard University by not only equipping the men's and women's golf teams, but also by setting up a summer internship program for two of the team members to learn more about working in the golf industry.
- In 2021, Callaway continued our partnership with Women's Golf Day, and together rang the bell along with Topgolf representatives at the New York Stock Exchange to help drive additional awareness of women in the game.
- Starting in 2019, Callaway has partnered with PGA WORKS and participated in its career expo. This expo is an opportunity for golf industry employers to connect one-on-one with a diverse pool of talented student-athletes competing in the PGA WORKS Collegiate Championship to discuss internships and entry level employment in the golf industry.
- In support of our ongoing relationship with the Ladies Professional Golf Association ("LPGA"), Callaway developed an official marketing partnership to increase content opportunities and overall exposure around women's professional golf.



- Callaway helped fund and activate the cross-industry 'Make Golf Your Thing' initiative. 'Make Golf Your Thing' is a multi-faceted, multi-year campaign to invite more people to the sport from all backgrounds to enjoy the game — their way.
- In 2021, Callaway participated in the 2nd annual Black Golf Directory ("BGD") virtual career fair. Started by a LPGA professional, BGD was created to elevate and promote African Americans in the golf industry. At this virtual career fair, several of Callaway's diverse employees participated on a panel to speak about the Company, our culture, and career opportunities. Callaway also participates in various BGD ongoing networking opportunities.

Diversity, Equity, and Inclusion at Topgolf

Callaway’s merger with Topgolf has strengthened our efforts to promote Diversity, Equity, and Inclusion throughout our company. Topgolf strives to bring accessibility to the game of golf by creating an experience that is fun, social, and entertaining. It is part of Topgolf’s goal to break down barriers, promote inclusion, and invite diverse groups of people to enjoy the game of golf for the first time and discover employment opportunities at Topgolf. Topgolf’s 2021 Diversity, Equity, and Inclusion strategy focused on four main pillars:

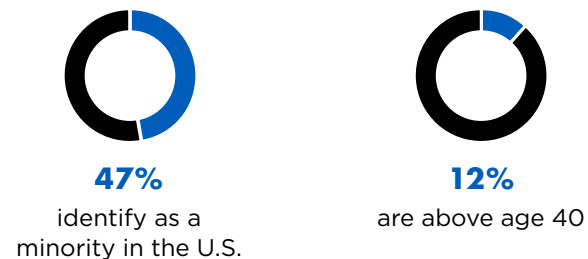
1. Executive Engagement and Accessibility
2. Diversity Resource Groups
3. Talent Development
4. Workplace Inclusion

Topgolf offers four Diversity Resource Groups for its employees: LatinX, Pride of Topgolf, Black Associate Networking Group, and Topgolf Woman. These groups celebrate and support the members of their communities and work cross-functionally with each other and the rest of the Topgolf organization to advance their shared goals. Topgolf also has diverse representation in its C-Suite and National Director of Operations.

Topgolf celebrates inclusion daily by featuring its diverse workforce on Workplace — a Meta-powered communication and engagement tool. Associates can share their diverse perspectives and insights on important topics related to their culture or heritage. In 2021, Topgolf associates shared nearly 2,000 posts within the Diversity Resource Group pages on Workplace, ranging in topics from Juneteenth and female leaders within the company to Pride celebrations and the history behind Hispanic Heritage Month. These posts sparked over 6,000 comments and further solidified associates’ sense of belonging within Topgolf.

Additionally, Topgolf has been awarded three different prestigious employer awards in recognition of its Diversity, Equity, and Inclusion efforts. They include Diversity Jobs Top Employer 2021, Forbes 2020 Best Employers for Women, and National Down Syndrome Congress 2018 Employer of the Year.

TOPGOLF'S U.S. EMPLOYEE DIVERSITY (19,234 EMPLOYEES)



HEALTH AND SAFETY OF OUR EMPLOYEES

Environmental, Health, and Safety Program

The health and safety of our employees is paramount to our culture and our business success. We view health and safety as not only a matter of compliance, but also as an integral part of our commitment to ensuring the well-being of our people. In turn, Callaway's EH&S Program is dedicated to maintaining a safe and healthful workplace for the protection of the employees and contracted workers at our facilities.



In compliance with California state law, Callaway maintains an occupational health and safety management system, referred to as our Injury and Illness Prevention Program ("IIPP"). Callaway's IIPP covers all of the Company's workers, contingent workers, and visitors in North America.^[1] Per our IIPP, the Senior Director of Facilities and EH&S, Executive Vice President of Global Operations, and ultimately the CEO have oversight of Callaway's EH&S policies and procedures. TravisMathew maintains a separate IIPP for its headquarters in Huntington Beach.

The goal of Callaway's IIPP is to meet or exceed all applicable regulations, codes, standards, and recommendations through the adoption of industry best practices. California's Department of Occupational Safety and Health provides guidance that an effective workplace injury and illness prevention program should contain the following elements, all of which are captured in our IIPP:

- Responsibility
- Compliance
- Communication
- Hazard Assessment
- Accident/Exposure Investigation
- Hazard Correction
- Training and Instruction
- Recordkeeping

^[1] Callaway reports Occupational Safety and Health Administration ("OSHA")-related incidents for workers and contingent workers when they are directly supervised by the workplace. An example of a contingent worker covered by our reporting is a temporary worker building a golf club under the supervision of Callaway. An example of a contingent worker not reported under our metrics is a security guard working under the supervision of the security company. While all workers, contingent workers, and visitors are covered by our IIPP, our reporting of incidents is limited to workers and contingent workers directly supervised by the Company. Where contingent workers work under the supervision of another company, such as janitorial, food services, security, or construction, we document incidents involving these contingent workers, but do not report with our metrics.

To prevent and mitigate significant negative occupational health and safety impacts, Callaway partners annually with our Workers Compensation Insurance Provider to develop a Risk Control Service Plan. This service plan includes industrial hygiene support, such as checking noise dosimetry and chemical exposure. It also includes safety-related support such as machine guarding surveys and facility safety assessments. The above services use a Certified Industrial Hygienist ("CIH"), a Certified Professional Ergonomist, and a Certified Safety Professional as appropriate for each service plan. Callaway also uses third-party CIHs for specific projects when necessary.

Callaway requires all full-time, part-time, and temporary employees to complete safety awareness training that covers Callaway's IIPP, hazard communication, emergency procedures, and other specific requirements, such as California Prop 65. We also provide formal training for respirators, forklifts, electrical safety, and other job-specific subjects. Callaway saves all our training records to keep track of employee training progress and retraining needs. Callaway also maintains EH&S policies, procedures, safety aids, and related forms in the Company's Enterprise Level Document Management System.

Callaway takes pride in setting high expectations for our employees' health and safety and closely monitors our health and safety performance through the following metrics, among others, which relate to our full-time and contracted workforce:

- Callaway U.S. finished calendar year 2021 with an OSHA Recordable Rate of 1.27, which was 53% lower than the Sporting Goods Manufacturing industry-wide average.
- Callaway's Monterrey, Mexico manufacturing facility participates in the Mexican Ministry of Labor and Social Welfare's ("STPS") Self-Management Program in Health and Safety at Work ("PASST"). In the most recent PASST recertification conducted in 2019, the facility's safety management program achieved the high rating score of 99.8% in the government inspection, maintaining the STPS PASST Level 3 certified ranking. The PASST program is similar to the OHSAS 18001 program and requires recertification once every five years.

Employee Health Services

Callaway U.S. provides its employees with a variety of health services such as flu shots, sunscreen desk drops, and parental and mental health resources provided by Cigna. Jack Wolfskin's European employees receive eye checks for desktop workers, regular health checks, medical shots, and first aid training. At Callaway's Monterrey, Mexico manufacturing facility, employees have access to a contracted nurse, working under the supervision of a doctor, who provides occupational and personal health support to the facility. The nurse may provide additional services such as blood pressure checks and

prenatal care to employees, or a pre-employment checkup to a prospective employee. A full description of our health and wellness services can be found in the [Employee Attraction and Retention](#) section of this report.

LABOR PRACTICES AND HUMAN RIGHTS OF OUR EMPLOYEES

Respecting internationally recognized human rights throughout Callaway's global operations is integral to our commitment to upholding the highest standards of business ethics. Our unwavering respect for human rights is exemplified in the commitments and expectations described in our [Enterprise Human Rights Policy](#). This policy is informed by the principles described in the UDHR.

Callaway strives for a workplace free from discrimination and harassment, child labor, forced labor and human trafficking, and other unsafe, unhealthful, or unlawful working conditions. As stated in our [Code of Conduct](#), we will not tolerate unacceptable worker treatment — such as the exploitation of children, physical punishment, involuntary servitude, or other forms of abuse — at any of our offices or facilities.

Currently, Callaway has not identified any serious risks that the Company's operations pose to human rights. However, Callaway has processes in place for our global operations to ensure we are in compliance with all applicable human rights laws. We also train all our full-time, part-time, and temporary employees on our Code of Conduct and on employee rights and responsibilities during new hire orientation.



Callaway also recognizes the right of our unionized employees, with whom we maintain positive relations, to collectively bargain and freely associate. Our golf ball manufacturing employees in Chicopee, Massachusetts are unionized and are covered under a collective bargaining agreement with International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers A.F.L.-C.I.O. Local Lodge 1851. In addition, many of Callaway's production employees in Mexico are also unionized.

OUR SUPPLIERS

We consider suppliers to be a valued part of the Callaway team. As such, we are committed to working with suppliers that uphold that the same standards we have set for our own employees in regard to human rights, health, and safety.



LABOR PRACTICES AND HUMAN RIGHTS OF OUR SUPPLIERS

Conducting our business honestly, ethically, and legally underpins the importance of socially responsible business practices in Callaway's global supply chain. We hold our suppliers accountable to the same human rights policies as our own employees, including Callaway's [Enterprise Human Rights Policy](#). We further require all Callaway suppliers to comply with human rights and other responsible labor standards set forth in our [Supplier Code of Conduct](#) and the [Transparency in Supply Chains Act and UK Modern Day Slavery Policy](#). These standards include, but are not limited to:

- No use of involuntary or forced labor
- No use of child labor
- Provide a workplace free of harassment, discrimination, and abuse
- Ensure fair and accurate compensation
- Ensure that working hours are not excessive
- Use fair and non-discriminatory employment terms and practices

- Provide a healthy and safe workplace
- Allow freedom of association and collective bargaining
- Ensure conflict free sourcing
- Deal lawfully with foreign contract and migrant workers.

Callaway has a number of mechanisms to ensure compliance with our social standards, including: the use of administrative controls such as contracts and agreements; providing new supplier on-boarding review and approval; conducting thorough internal and third-party supplier audits; and offering employee and supplier training and education.

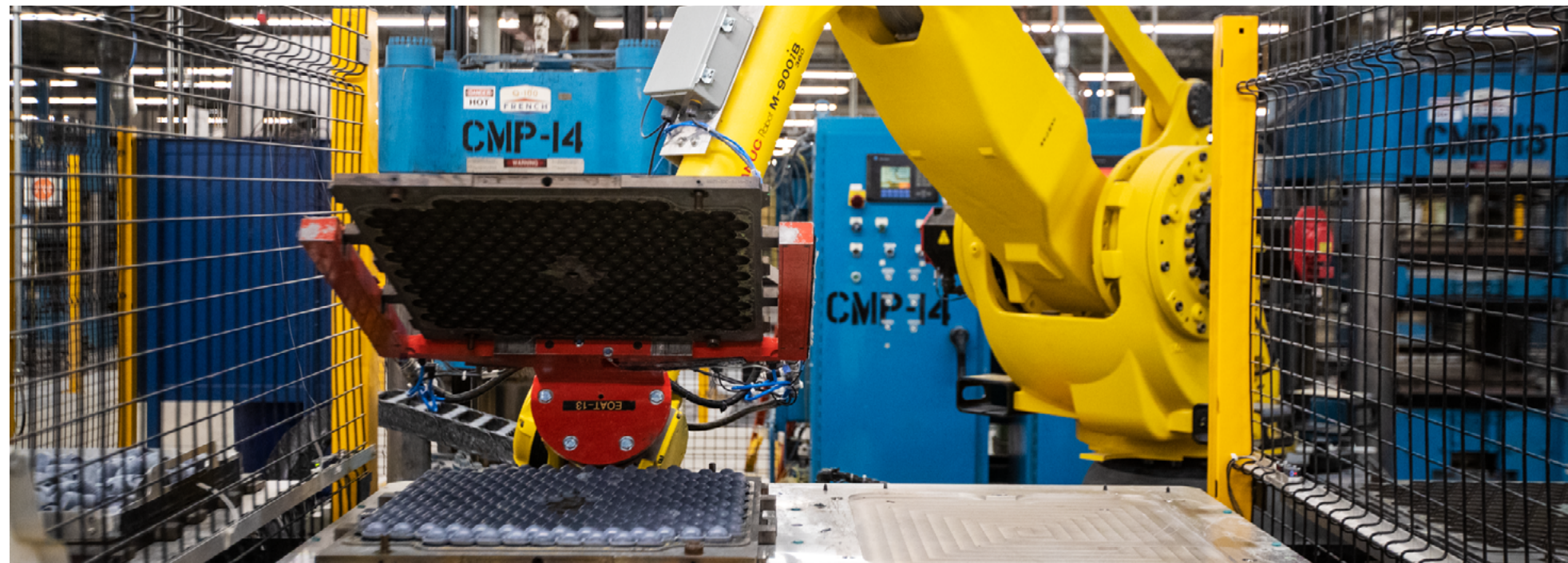
Callaway's goal is to drive continuous improvement in our supply chain and procurement practices. To do so, we benchmark our performance against the standards set by industry associations, NGOs, and peers to understand the best way to manage human rights-related concerns and issues. We have procedures in place to review and correct issues and concerns as appropriate. Where concerns are identified, Callaway works with suppliers to address them while taking the opportunity to strengthen our own diligence processes. Our comprehensive approach to managing and engaging our suppliers, which includes screening, auditing, and training suppliers on our social and environmental standards, is further discussed in the [Procurement](#) section of this report.

HEALTH AND SAFETY OF OUR SUPPLIERS

Callaway believes workers in our supply chain are entitled to work in healthy and safe conditions, just like our own employees. We strive to uphold a high standard for health and safety at the factories operated by our suppliers as we do in our own operations. Callaway requires our suppliers to promote and adhere to all health and safety expectations outlined in our [Supplier Code of Conduct](#), in a manner consistent with the [Company's Code of Conduct](#), and other relevant policies, procedures, and guidance.

Callaway's suppliers must maintain a safe and healthy working environment, with clean drinking water and sanitation, appropriate security, and personal protective equipment. Suppliers also must provide safe and adequate accommodation where residential housing is provided to workers, conduct health checks, and take steps to prevent accidents and injuries in the workplace. This includes ensuring that potential risks are identified and appropriate safety measures are taken, complying with laws regarding building use, safety, and occupancy, and having emergency action plans in place. Additionally, Callaway requires all suppliers to report significant injuries and accidents suffered by employees.

Callaway's commitment to this topic has led us to make capital investments to improve the safety of our suppliers' manufacturing processes. We also collaborate with suppliers to drive continuous improvement by applying such things as lean manufacturing and Six Sigma techniques that improve



process efficiency and safety. For Callaway's club and golf ball suppliers, automation was introduced to some of the most dangerous areas of the production process, including grinding, polishing, cutting, and dipping of metal hardware. These improvements have dramatically reduced exposure of factory employees to hand-arm vibration syndrome, repetitive motion, and other on-the-job injuries.

Callaway also partnered with our soft goods and apparel suppliers to create automated sewing machines that mitigate the risk of repetitive-motion injuries. As an added benefit,

these machines also improved the quality of the product. Additionally, Callaway reduces workers' exposure to hazardous substances such as carcinogens and teratogens by establishing chemical restrictions in Callaway's Restricted Substances List ("RSL") and Jack Wolfskin's [Green Book](#).

Callaway routinely audits the health and safety standards of our suppliers, which is discussed further in the [Procurement](#) section of this report.

LOCAL COMMUNITIES



Following the lead of our founder, Ely Callaway, our Company believes it is important to build more than just great products; we are also passionate about building great communities and making a positive difference in the lives of our neighbors — especially those in need. We engage and support our local communities through the Callaway Golf Company Foundation (the “Foundation”), the Callaway Golf Company Community Giving Program, and a variety of local volunteering and donation initiatives led by our global subsidiaries.

THE CALLAWAY GOLF COMPANY FOUNDATION

The Foundation was established to support programs that improve lives, while serving as a catalyst for our employees to positively impact their community. The Foundation provides cash grants and scholarships to non-profit organizations on a select basis. The Foundation Board has annually selected one local non-profit and one military non-profit to receive a \$50,000 grant. In 2021, the recipients were Feeding San Diego and Homes for Our Troops. In addition, the Foundation also

presented grants for scholarships and to additional foundations such as the Challenged Athletes Foundation and the Pro Kids Golf Academy, with overall 2021 grants to all organizations totaling \$464,850.

Callaway’s headquarters hosts an annual Bike to Work Day, where the Foundation sponsors \$100 for each participating rider, with proceeds going to the Challenged Athletes Foundation. The Challenged Athletes Foundation provides opportunities and support to people with physical challenges, so they can pursue active lifestyles through physical fitness and competitive athletics. The daylong event consists of employees riding from a selected location to work. Every year a guest speaker from Challenged Athletes Foundation is invited to join the event and speak about their experiences. With the donations from the 2021 event, the Foundation has raised \$100,000 for the Challenged Athletes Foundation to date. The event is also sponsored by Callaway Facilities, our Café vendor Eurest, along with other suppliers who provide food and snack stops for riders.

The Foundation’s Scholarship Program awards annual scholarships to students of Callaway employees. Scholarships of up to \$10,000 are given to students in good standing and may be renewed on an annual basis. The program is announced every December and is administered by Scholarship America. In 2021, the program awarded \$81,000 in new and renewed scholarships.

The Foundation also encourages Callaway employees to give back through its Employee Matching Gift Program. The Foundation matches individual donations of up to \$10,000 made by employees to qualified non-profits of their choice. In 2021, combined donations totaled \$79,333.

In April 2021, Callaway and the Foundation were chosen as co-recipients of the 2021 Corporate Philanthropy Award by the North County Philanthropy Council. This award recognizes the hard work and dedication of employee volunteers, and the generosity of cash grants given to programs. Callaway and the Foundation received the award for their work with Pro Kids, First Tee – San Diego. Callaway has supported Pro Kids since 1994, when Ely Callaway and the Pro Kids founder, Ernie Wright, partnered to build the original Golf Academy at Colina Park in City Heights. To date, Callaway and the Foundation have donated over \$5.5 million dollars to Pro Kids in cash grants and golf products.

Since 2003, Callaway has donated **\$6.4 million** worth of golf balls, golf clubs, and other products to non-profit organizations.

CALLAWAY GOLF COMPANY COMMUNITY GIVING PROGRAM

Each month since 1995, the Callaway Golf Company Community Giving Program has planned volunteering initiatives and product donations to support communities in the San Diego, California area. The program's committee, led by 12 volunteer employees from Callaway's headquarters, selects non-profits focused on a variety of charitable endeavors including improving the environment, youth empowerment, helping the homeless and disadvantaged, animal care, and military support. Although Callaway's engagement has been virtual since April 2020, the Company continues to support local non-profits throughout the COVID-19 pandemic. Since 1995, Callaway has contributed 23,953 volunteer hours across volunteer projects. Since 2003, Callaway has donated \$6.4 million worth of golf balls, golf clubs, and other products to non-profit organizations. Callaway's established targets for product donations focus on programs that support:

- **Youth:** improving the lives of young people in need or at-risk, primarily through the building of life-skills.
- **Health:** providing access to essential health services for non-insured or under-insured individuals and families.
- **Military:** providing support and services to wounded warrior programs.





ENGAGING OUR GLOBAL COMMUNITIES

Callaway gives our global subsidiaries the ability to lead their own community engagement initiatives. To facilitate this, we provide our sales teams with product donation accounts to help manage their contributions to select charities and fundraiser events. We also encourage our global offices and subsidiaries to engage in community partnerships at their discretion based on the needs of their local regions.

- Callaway Korea launched a limited edition Truvis Golf Ball and wedge club featuring the image of a polar bear, an endangered species, standing on a small iceberg with the number “0422,” which is a reference to global warming and Earth Day on April 22. Callaway Korea donated 15% of the sales of these products to an environmental non-profit in order to raise money and awareness for sustainability projects.

- Our Jack Wolfskin headquarters in Idstein, Germany regularly supports children’s hospice through annual monetary contributions, homeless shelters through product donations, healthcare clinics through mask donations for clinics and nurseries, and healthcare workers in Germany through a discount in stores throughout 2020.
- In 2021, TravisMathew partnered with Chris Pratt to host an online Charity Flash Sale benefiting Special Olympics. Through the flash sale, TravisMathew raised its largest charitable donation ever of \$1,074,600, which will help train more than 16,500 athletes in 2022 and will provide direct support to 52 chapters in the U.S.
- In 2020, TravisMathew donated over \$500,000 to the Oscar de la Hoya Foundation, which aims to create more opportunities for people coming from underprivileged communities in the greater Los Angeles area, such as supporting various after-school programs and local medical centers.
- In 2020, Callaway Golf South Pacific set a budget of \$20,000 for product donations to support various “green grass” or Golf Course Pro Shop charity events held by golf clubs in response to Australian bush fires. They have also donated around \$5,000 in excess product to local underprivileged schools in the past seven years that would like to introduce golf into their athletic programs.
- Callaway Golf South Pacific also supports PukaUp, a cause-driven organization whose vision is suicide prevention and mental health awareness. We supported the organization with a donation and received a well-being webinar from Wayne

Schwass, the founder, which was available to all South Pacific employees. PukaUp provides education programs in schools and workplaces, and has recently partnered with Melbourne University’s Centre for Wellbeing Science to raise money to develop a program called Foundations of Well-Being, which will be available to businesses to participate in.

- At our Monterrey, Mexico facility, Callaway donated clubs to two tournaments where the proceeds went to Casa Mi Angel and Retos. Casa Mi Angel is an association that provides economic and psychological support for abandoned expecting mothers and their children through food, board, and trainings. Retos is an association dedicated to supporting people over the age of 15 who have physical, intellectual, and mental disabilities that live in situations of extreme poverty.
- Callaway Golf Europe sponsors a variety of charities and programs, many that have a personal significance to their employees, including MacMillan Cancer Centre and the On Course Foundation for wounded and sick service personnel.
- Callaway Vietnam employees partnered with the Youth Social Work Center, a non-profit that helps support Vietnamese citizens who are negatively impacted by COVID-19. In July 2021, Callaway Vietnam distributed rice and other necessities to Vietnamese charity kitchens so they could prepare and distribute thousands of free meals to people in need.
- Callaway Japan leads an initiative known as “Callaway Golf Farm.” This program, in alignment with the requirements of the Ministry of Health, provides employment opportunities for individuals with disabilities. Workers are given the opportunity to work on the farm and contribute to the betterment of society in a meaningful way.

JACK WOLFSKIN

Wolftrail is an initiative led by Jack Wolfskin aimed at connecting customers with the outdoors through all-day hiking events that combine product testing with environmental protection projects. Jack Wolfskin has created a variety of Wolftrail hiking routes throughout the highlands of Europe, and each location focuses on a specific environmental cause. In Romania, for example, Wolftrail participants guard against illegal deforestation of the country's primeval forests. In 2021 and in the spirit of Wolftrail, Callaway introduced a global neighborhood cleanup event inviting employees from all brands to participate by cleaning up their local neighborhoods while enjoying the outdoors.

Jack Wolfskin has teamed up with SEAQUAL INITIATIVE, a collaborative community fighting plastic pollution. They bring together individuals, organizations, and companies to help clean the oceans and raise awareness of the issue of marine plastic. The SEAQUAL INITIATIVE is working with clean-up efforts which can be anything from small groups of local volunteers doing one-off beach clean-ups, all the way through to large

international programs retrieving waste on a regular basis. All the marine litter used by SEAQUAL INITIATIVE is cleaned from beaches and coasts, the ocean floor and surface, and rivers and estuaries. Jack Wolfskin utilizes the SEAQUAL® YARN — which is a high quality 100% post-consumer recycled polyester yarn containing approximately 10% Upcycled Marine Plastic (from marine litter) and 90% post-consumer polyethylene terephthalate (“PET”) from land sources — to create a line of trendy, multi-colored shirts made with a blend of SEAQUAL® YARN and organic cotton yarn.

Going against the trend of deep discounts during the November shopping season, Jack Wolfskin instead prioritized environmental protection. Jack Wolfskin is providing €100,000 from the proceeds of its Nature Counts campaign, which ran from November 26–29, 2021 (Black Friday and Cyber Monday) in Germany, Austria, Switzerland, Belgium, Luxembourg, Italy, and the UK, to a forest conservation project run by Wohlleben's Forest Academy. The campaign will ensure the protection of 25,000 m² of ancient beech forests in Central Europe through a corresponding 50-year lease.

Jack Wolfskin utilizes the SEAQUAL® YARN — which is a high quality 100% post-consumer recycled polyester yarn containing approximately 10% Upcycled Marine Plastic (from marine litter) and 90% post-consumer PET from land sources.





TOPGOLF

Topgolf is proud to donate time and money to causes that strengthen our cities and bring people together. Topgolf has partnered with local chapters of the non-profit First Tee and donates to children in need. Topgolf also donates turf driving mats from its venues to Bunkers to Baghdad or sends them back to their manufacturer, where they are recycled into new mats.

Topgolf is strengthening its work with local chapters of National Urban League, a historic civil rights organization founded in 1910, and dedicated to economic empowerment, equality,

and social justice for the Black community. With their expertise, the goal is to make a meaningful difference through fundraising and mentorship programs to create positive change together.

Since 2016, Topgolf and Make-A-Wish Foundation have partnered to help make dreams a reality for Wish Kids around the country. Topgolf regularly lends out its venues to host Make-A-Wish celebrity reveals, and has raised more than \$2 million from 2016 through 2021.

The Youth Play It Forward program was launched in 2017 and provides free game play for high school golf teams and charities supporting youth mentorship, leadership, and empowerment. By participating in this initiative, Topgolf helps inspire a life-long love for golf in aspiring youth while improving the game's accessibility for younger generations.

In 2021, Topgolf raised enough money to provide over 500,000 healthy meals to hungry children in the U.S. through No Kid Hungry. This organization is working to end childhood hunger by launching and improving programs that give kids the healthy food they need to thrive.

At Topgolf, serving our community is important. Topgolf associates volunteered over 19,000 hours in 2019^[1] to local communities in need. Volunteering spans from food banks and pet rescues to classrooms and hospitals. Topgolf uses these opportunities to strengthen its teams and reinforce its culture of caring for one another and collaborating with its communities.

^[1] Due to COVID-19, volunteering was limited in 2020 and 2021. As a result, Topgolf is disclosing the 2019 hours while also aiming to revive volunteer hours and tracking, pending circumstances of the pandemic.

MILITARY APPRECIATION

Headquartered in a strong military community, Callaway is a proud supporter of the armed forces and has a longstanding commitment to military appreciation initiatives. Our support for those serving our country includes charitable donations to military non-profits, a 15% military discount on products from CallawayGolf.com, and custom golf club fittings through our partnership with Wounded Warriors. Since 1999, Callaway has contributed \$9.5 million in military product donations.

Callaway is proud to be the largest individual donor to Bunkers in Baghdad, a non-profit charity that collects and sends new and used golf balls, clubs, and equipment to our deployed troops around the world. Since 2008, Bunkers for Baghdad has sent over 12 million golf balls and nearly 1 million golf clubs to 45 different countries. We also team up with Birdies for the Brave to host Callaway Warrior Club Fittings at PGA TOUR tournaments across the nation. These personal club fittings aid in the physical and psychological rehabilitation of our American heroes and express our gratitude for their service and sacrifice. To date, Callaway has fit more than 150 combat-wounded heroes.

Additionally, Topgolf is an active supporter of Folds of Honor, an organization that provides educational scholarships to children and spouses of fallen and disabled service members. Topgolf also offers military (active duty and veterans), police, fire, and EMS personnel 10% off Topgolf game play and 20% off discount on select monthly memberships.

PLANET

At Callaway, our mission is to innovate premium products and services that allow our customers to excel in the game of golf and experience the wonders of the outdoors. In turn, we recognize the importance of addressing climate change, reducing our energy and water consumption, and responsibly managing the waste we generate. The Company's EH&S Policy establishes our commitment to environmental responsibility, and we have a long history of implementing positive initiatives to reduce our environmental footprint. Conducting business in an environmentally sustainable manner aligns with our core value to always act with integrity and respect.

ENERGY MANAGEMENT ↻ CLIMATE CHANGE AND EMISSIONS ↻
WASTE MANAGEMENT AND RECYCLING ↻ WATER AND WASTEWATER MANAGEMENT ↻

ENERGY MANAGEMENT

Energy consumption is a primary source of Callaway's greenhouse gas ("GHG") emissions, and as part of our commitment to reduce our carbon footprint, we are seeking new ways to lower our overall energy consumption and increase our use of renewable sources. Since 2005, Callaway has implemented energy efficiency improvements through active participation in utility-sponsored demand-reduction programs while actively pursuing new energy efficiency projects, examples of which are described in this section. Across our operations, we have been able to make reductions through retrofits as well as switching to renewable sources of energy. Callaway also engages with our landlords seeking to implement energy efficiency projects associated with leased properties.

CALLAWAY CORPORATE HEADQUARTERS

Callaway's corporate headquarters in Carlsbad, California has made significant updates to improve our energy efficiency. In 2021, more than 40% of the energy used at the headquarters came from renewable sources, supported by a battery storage system that charges up during off-peak hours to help run the building during peak energy use periods, therefore reducing stress on the power grid. We also replaced a 12 million British Thermal Units per hour ("BTU/hr") boiler with a high-efficiency, low emissions 2.5 million BTU/hr boiler, and installed high-efficiency LED lightbulbs. Despite significantly increasing our building occupancy and adding a data center and 10 electric vehicle charging stations, our total energy consumption was still down by 18% since 2012 at the end of 2021, with 5,578 megawatt-hours ("MWh") consumed in 2021.



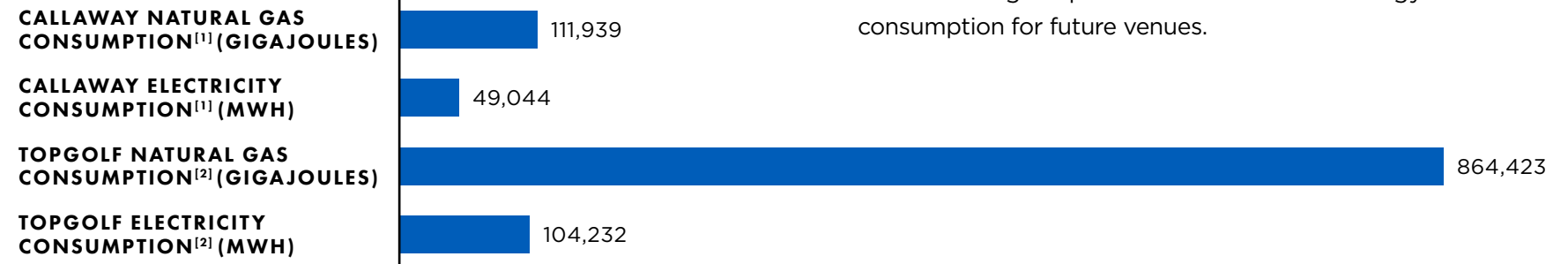


MANUFACTURING, DISTRIBUTION, RETAIL, AND ENTERTAINMENT FACILITIES

- In 2021, Callaway’s global company-owned and leased facilities consumed 49,044 MWh of electricity, excluding Topgolf, whose U.S. venues consumed 104,232 MWh of electricity.
- In 2021, Callaway completed retrofitting our Monterrey, Mexico facility with high-efficiency LED lighting, reducing the facility’s electrical demand by 500,000 kilowatt-hours per year.
- LED lightbulbs were installed at TravisMathew’s headquarters in Huntington Beach, Callaway’s distribution center in Korea, Callaway’s headquarters in Carlsbad, and Callaway’s European headquarters in Chessington.

- At Callaway’s Chicopee, Massachusetts facility, the Company entered into an agreement with Bloom Energy for a 4.0 megawatt natural gas fuel cell system that is anticipated to be installed by the end of 2022. This fuel cell should eliminate approximately 1.9 million pounds of CO₂ emissions per year.
- At Jack Wolfskin’s Hamburg distribution center, Idstein headquarters, and all except for one owned retail stores in Germany and Austria, 100% of electricity used is from renewable energy.
- Topgolf has submitted an application for a LEED Silver certification for its San Jose, California location. The venue opened in April 2021, and is equipped with sustainable features including solar panels, LED lighting, high-reflective roofing, low-flow plumbing fixtures, and designated parking for clean air/electric vehicles. Topgolf continues to review equipment specifications for energy efficiency and Energy Star ratings, install and maintain LED lighting throughout its venues, and consider design improvements that reduce energy and water consumption for future venues.

2021 ENERGY CONSUMPTION



[1] Includes global operations for Callaway, Jack Wolfskin, OGIO, and TravisMathew.

[2] Includes Topgolf U.S. venues.

CLIMATE CHANGE AND EMISSIONS

Callaway recognizes that climate change is a global issue and needs to be addressed comprehensively not only to protect the planet for future generations, but also to ensure strong and sustainable economic growth. We are committed to operating with a focus on sustainability, while continuing to manufacture and distribute high-quality products for our customers, and create value for our stakeholders. Callaway supports the TCFD, and we have reported our approach in the corresponding [TCFD Index](#).

The primary driver for purchased electricity GHG emissions for Callaway is energy. Callaway has already implemented a number of initiatives aimed at reducing our GHG emissions highlighted throughout this Planet section, including energy efficiency upgrades to our headquarters, facilities, and manufacturing processes. We also monitor and aim to reduce hazardous pollutants and volatile organic compounds (“VOCs”) that have impacts on employee health and the environment.

To supplement these initiatives, Callaway is certified by the U.S. Environmental Protection Agency (“EPA”) SmartWay program, which helps companies advance supply chain sustainability and reduce their carbon footprints. By tracking Callaway’s transportation statistics, we are able to make strategic and sustainable decisions to reduce GHG emissions from our freight network. In North America, Callaway’s truck-based logistics have increased the use of SmartWay carriers from 50% in 2016 to 89% in 2020.^[1]

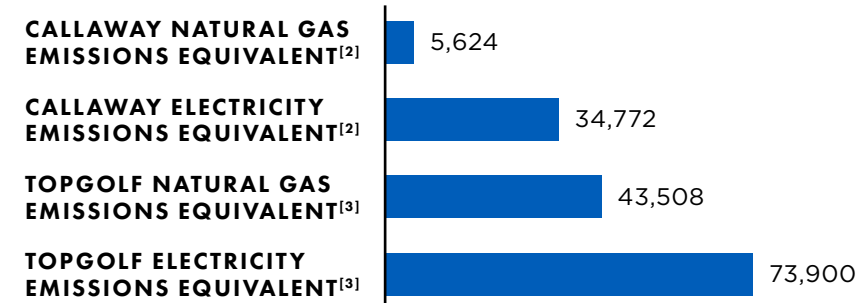
In the United Kingdom, Callaway’s vehicle fleet increased the percentage of hybrid or electric vehicles in the fleet from 24% in 2020 to 40% in 2021. Callaway Europe ensures that every replacement vehicle has a lower emissions output than the previous vehicle.

In 2021, Callaway’s^[2] emissions equivalent intensity ratio was 20 CO₂e/\$1M net revenue and Topgolf’s^[3] emissions equivalent intensity ratio was 108 CO₂e/\$1M net revenue.



2021 GHG EMISSIONS EQUIVALENT

(metric tons of CO₂e)



[1] 2021 data from U.S. EPA SmartWay program is not yet available at the time of report publishing.

[2] Includes global operations for Callaway, Jack Wolfskin, OGIO, and TravisMathew.

[3] Includes Topgolf U.S. venues.

WASTE MANAGEMENT AND RECYCLING

Callaway has proactively implemented positive environmental initiatives to reduce our environmental footprint and considers responsible waste management as an essential part of preserving the long-term health of our planet. Callaway actively tracks our North American hazardous and non-hazardous waste and recycling, which allows the Company to drive improvement on various performance metrics. In 2021, Callaway’s North American facilities^[1] generated 6,086 metric tons of total waste and recycling. Of that, 3,609 metric tons was waste and 2,477 metric tons was recycled. The Company is also working on ways to reduce excess product packaging and increase efficiency in production processes.

At Callaway’s North American facilities, we recycle cardboard, paper, metal, electronic waste, green waste, plastics, and wood. Where available, we work with local recycling partners to optimize our recycling opportunities, including organizations that uphold the R2 Responsible Recycling Standard for recyclable electronics.

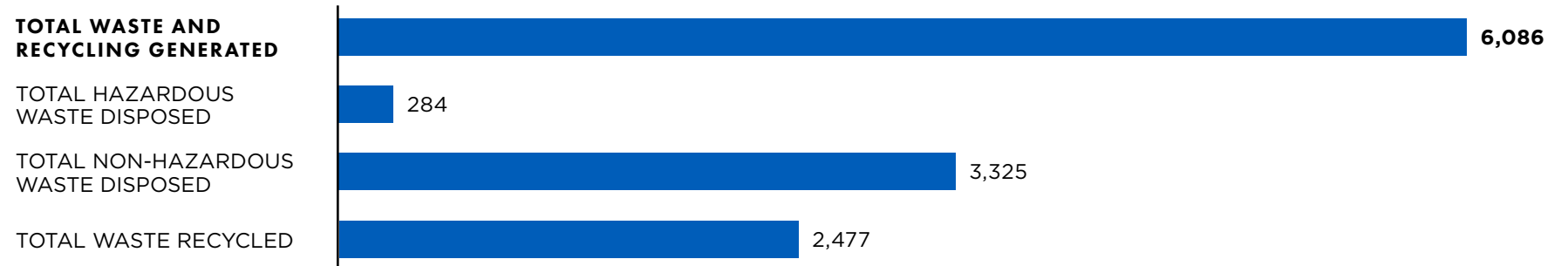
Across our global subsidiaries, programs and initiatives have been implemented to address waste management and increase opportunities for recycling:

- We launched the “I Love a Green Callaway” program at the Carlsbad headquarters and Callaway Golf South Pacific to make these locations greener by using less plastic and polystyrene foam, providing reusable dishware, and improving labeling and access to recycling bins for all employees.

- Since 2019, Callaway Golf Europe has eliminated PVC synthetic plastic, removed all lamination, or alternatively switched to Cellogreen, a recyclable lamination on marketing materials. Callaway Europe also uses Forest Stewardship Council (“FSC”) certified display boards, has an agreement with Green Dot® for the recovery, sorting, and recycling of sales packaging, and 100% of the Point of Sale (“POS”) materials produced are recyclable.
- Callaway South Pacific has also increased the use of sustainable materials in their POS advertising, by using 100% recycled paper and/or cardboard for posters, bollards, wall prints, and ambassador boxes.
- In an ongoing effort to save paper, Callaway Japan, China, Europe, and Australia have all increased the use of digital information and processes for administrative documents, forms, and invoices.

[1] Includes Callaway’s primary North American manufacturing, Research and Development, and distribution facilities: Callaway Corporate Headquarters; Chicopee Golf Ball Operations; North American Distribution Center; Monterrey, Mexico manufacturing facility.

2021 WASTE AND RECYCLING METRICS^[1] (metric tons)





HIGHLIGHT STORY

JOURNEY TO SUSTAINABLE PACKAGING

Across all brands, Callaway is continuously pursuing initiatives that will decrease the amount of packaging, as well as waste, created through our various product categories. As part of our journey to become more sustainable, we are in the process of eliminating silica gel dry packs from our product packaging, and adopting biodegradable, clay-based dry packs as a more sustainable alternative. The silica dry packs are used to keep products safe and dry during transport, but could lead to additional waste that ends up in landfills. The clay-based dry packs are filled with all-natural desiccant which outperforms synthetic alternatives, and safely guards our high-risk products from mold and moisture damage. Our continued use of dry packs will be further reduced as we transition to recycled polybag packaging, which contains an interior anti-mold coating that eliminates the need for desiccant packs altogether. Jack Wolfskin is the first of our brands to fully eliminate silica gel dry packs from its packaging using these methods. In total, Jack Wolfskin has eliminated the use of more than 7 million silica dry packs. This company-wide effort is one of the many steps Callaway is taking to mitigate our environmental impact and reduce our waste.

PACKAGING

Leaders from across our brands convene regularly to discuss new ways of eliminating cardboard and single-use plastics from our product packaging. To reduce the amount of cardboard in product shipments, Callaway implemented a customer order system that automatically aligns an order with its “best fit” shipping carton and trained our operators to make changes to the packaging and correct the system optimization as needed. Jack Wolfskin has also begun using boxes made from 30% grass-based cardboard for its e-commerce shipments. The grass used is not treated with fertilizers or pesticides and requires significantly less water and chemicals to produce than wood.

Callaway is working to convert our single-use plastic packaging to recycled plastic where feasible, and expects that Jack Wolfskin will be the first of our brands to complete this transition. Jack Wolfskin uses recycled polybags in product transport and only uses FSC certified paper bags to bag in-store customer purchases. In 2021, this process eliminated 173,233 kilograms (“kg”) of single-use plastic from Jack Wolfskin product packaging. Callaway also discontinued the inclusion of plastic wrenches with our adjustable drivers and hybrid clubs in 2021, thereby eliminating more than 18.5 metric tons of single-use plastic each year moving forward. Additionally, Callaway Golf Japan changed their custom grip shrink wrap packaging from PET to a biomass plastic, which is 80% derived from plants, in November 2021.

MANUFACTURING PROCESSES

Callaway has made significant investments in research and development to improve the efficiency of our manufacturing processes. These investments effectively resulted in reduced material waste and VOC emissions. Callaway also uses advanced techniques such as 3-D modeling and artificial intelligence to optimize our design process. Such techniques allow the Company to reduce the number of prototypes needed to arrive at final products, thereby minimizing the energy and materials required to create them. Additional achievements in our manufacturing processes include:

- In 2020, we innovated a shaft redesign with our suppliers to yield multiple pieces of our new putter shaft from a single steel blank, greatly reducing overall steel waste. We estimate that the redesign reduced our steel scrap by approximately 56,700 kg annually.
- Callaway invested in a multi-year research and development project to reduce VOC emissions in our supply chain, beginning with a full transition from an oil-based paint to a water-based paint used on our club heads. The water-based paint retains the adhesion and durability of its predecessor, but reduces VOC emissions by over 60%. This investment also included a partnership with a supplier to develop a treatment system in their factory that could better capture VOC emissions at the source. This resulted in the capture and treatment of over 90% of VOC emissions from that factory.



WATER AND WASTEWATER MANAGEMENT



Callaway's Southern California roots have made us conscious of the importance of responsible water management, and we strive to reduce, reuse, and conserve water across our operations wherever possible. With manufacturing facilities, distribution centers, and corporate offices around the globe, our approach to water management varies across locations. When it comes to Callaway's water usage in our manufacturing processes for our owned operations, we use a limited amount of water. Callaway's headquarters in Carlsbad, California has a Class III Industrial Wastewater Discharge Permit that classifies Callaway's Research and Development operations as "Zero Discharge" for reporting purposes. Our golf ball manufacturing facility in Chicopee, Massachusetts has a similar permit, with process water estimated between 200 and 5,000 gallons per day. Callaway's manufacturing facility in Monterrey, Mexico uses no industrial contact process water.

Callaway has implemented initiatives to ensure our operations and suppliers manage water and wastewater responsibly. In 2021, Callaway recorded 171 megaliters (ML) of water consumption across our global operations^[1], while Topgolf U.S. venues recorded 833 ML.^[2]

Callaway facilities track their water usage so the Operations Team can identify opportunities to conserve water, maintain recycled water systems, and implement practices to improve the Company's water management processes.

[1] Includes global operations for Callaway, Jack Wolfskin, OGIO, and TravisMathew.

[2] Includes Topgolf's U.S. venues.

WATER AND WASTEWATER INITIATIVES

- At Callaway’s golf ball manufacturing facility in Chicopee, Massachusetts, one of its manufacturing processes uses a filtration system to recycle 95% of the water it uses.
- At our headquarters in Carlsbad, California, the irrigation system uses 100% reclaimed water for landscaping, rather than withdrawing city water.
- Callaway’s central plants’ cooling and heating operations use a patented soft water program that reduces water use at Callaway’s headquarters by more than 2 million gallons per year, and eliminates more than 1,000 gallons of hazardous chemicals per year.

- The natural gas fuel cell system that will be installed at our Chicopee, Massachusetts facility is expected to reduce the equivalent of 500 million gallons of water used per year, as compared to electricity being supplied through the local utility company.
- At Topgolf venues, driving range outfields are made of artificial turf, and therefore require no irrigation. Most Topgolf venues also direct storm water runoff into detention facilities, such as wet or dry basins. This lessens the impact to local streams, rivers, and other water bodies.
- At Jack Wolfskin the “Zero Discharge of Hazardous Chemicals (“ZDHC”) Wastewater Guidelines” are used for regular wastewater analysis at its suppliers’ production sites. By managing the chemical inputs and ensuring procedures and indicators are in place during manufacturing, the process outputs are cleaner and safer for the environment.

2021 WATER CONSUMPTION

(ML)



[1] Includes global operations for Callaway, Jack Wolfskin, OGIO, and TravisMathew.

[2] Includes Topgolf’s U.S. venues.





PRODUCT

Callaway takes pride in developing premium, high-performance products for our athletes and customers. Technical innovation and quality control are critical elements of our production process and are a main source of our competitive advantage. We also believe that being a leader in innovation means integrating sustainable practices throughout the product lifecycle. While Callaway has a long-standing commitment to reducing waste and increasing efficiency, we continually seek new ways to introduce sustainability into the way we design, source, and extend the life of our products.

PRODUCT DESIGN AND INNOVATION ↻

PRODUCT MANAGEMENT ↻

PRODUCT QUALITY AND COMPLIANCE ↻

PRODUCT DESIGN AND INNOVATION

Callaway's passion for innovation drives our effort to bring sustainability into our product designs. We actively work with our development teams and suppliers to find new ways of minimizing our environmental footprint through design improvements. The range of goods offered by our brands creates unique opportunities for each brand to embrace the use of recycled materials and green chemistry in new product lines.

Our brands value the opportunity to learn from Jack Wolfskin in its adoption of sustainable apparel practices and design. Jack Wolfskin was the first of its peers to close the production loop for the membrane layer in a waterproof jacket. Its Texapore-Ecosphere collection features an outer layer, membrane, and lining that is made entirely of pre- and post-consumer waste and production scraps, and post-consumer PET material. Jack Wolfskin's 2021 Spring/Summer Collection encompassed over 150 products featuring Texapore-Ecosphere, as well as two other fully recycled material technologies known as Nanuk-Ecosphere and Microguard-Ecosphere. Since 2018, Jack Wolfskin has produced over 1,557,000 meters (1,033 miles) of Texapore-Ecosphere

membrane alone. The waste saved by these three technologies is equivalent to 34,330,000 recycled one-liter PET bottles. To learn more about how Jack Wolfskin achieves this process, please visit [Jack Wolfskin's Texapore-Ecosphere page](#).

Some other recent innovative product designs include:

- In 2021, Jack Wolfskin was awarded the German Sustainability Design Award for its Wolftrail 28 RECCO backpack. The award recognizes environmentally friendly production and the responsible use of resources.
- In 2019, Jack Wolfskin achieved its [goal](#) to make all apparel and equipment 100% free of perfluorinated and polyfluorinated compounds ("PFCs"). Jack Wolfskin's next target is to completely phase out PFCs in footwear by 2025.
- In 2021, TravisMathew worked closely with suppliers to create its first collection of premium, sustainable fabrics made from either certified-recycled polyester or 100% organic cotton. It launched this eco-friendly apparel line in September in partnership with the World Surf League, and contributed \$145,023 as part of its Surfrider 100% profits



campaign. TravisMathew is also engaged in an ongoing effort to include recycled or environmentally sustainable materials in more of its fabrics and has set a target of \$50 million in sales of sustainable product in 2023.

- In 2021, Callaway Golf Japan launched its Solid caddie bags made from 50% recycled polyester and a "Go Green" apparel collection made from recycled materials and manufactured using less water. The eco-line is expected to expand to more than 50 styles in 2022.
- Callaway is working with a scientific initiative at the University of California, San Diego that is creating biodegradable polymer materials from algae. We are utilizing the technology to explore various foam options for shoulder straps across a range of Callaway, OGIO, and Jack Wolfskin products.

PRODUCT MANAGEMENT

Callaway's commitment to product excellence goes beyond design and manufacturing. We strive to uphold responsible management practices at all stages of the product lifecycle. We have adopted programs and procedures to ensure our raw materials are sourced responsibly, our supply chain factories minimize the use of toxic chemicals by applying green chemistry principles, and our products can be used — and reused — as long as possible. We are committed to delivering products that are safe for our customers and compliant with high quality standards.



PRODUCT LIFECYCLE MANAGEMENT

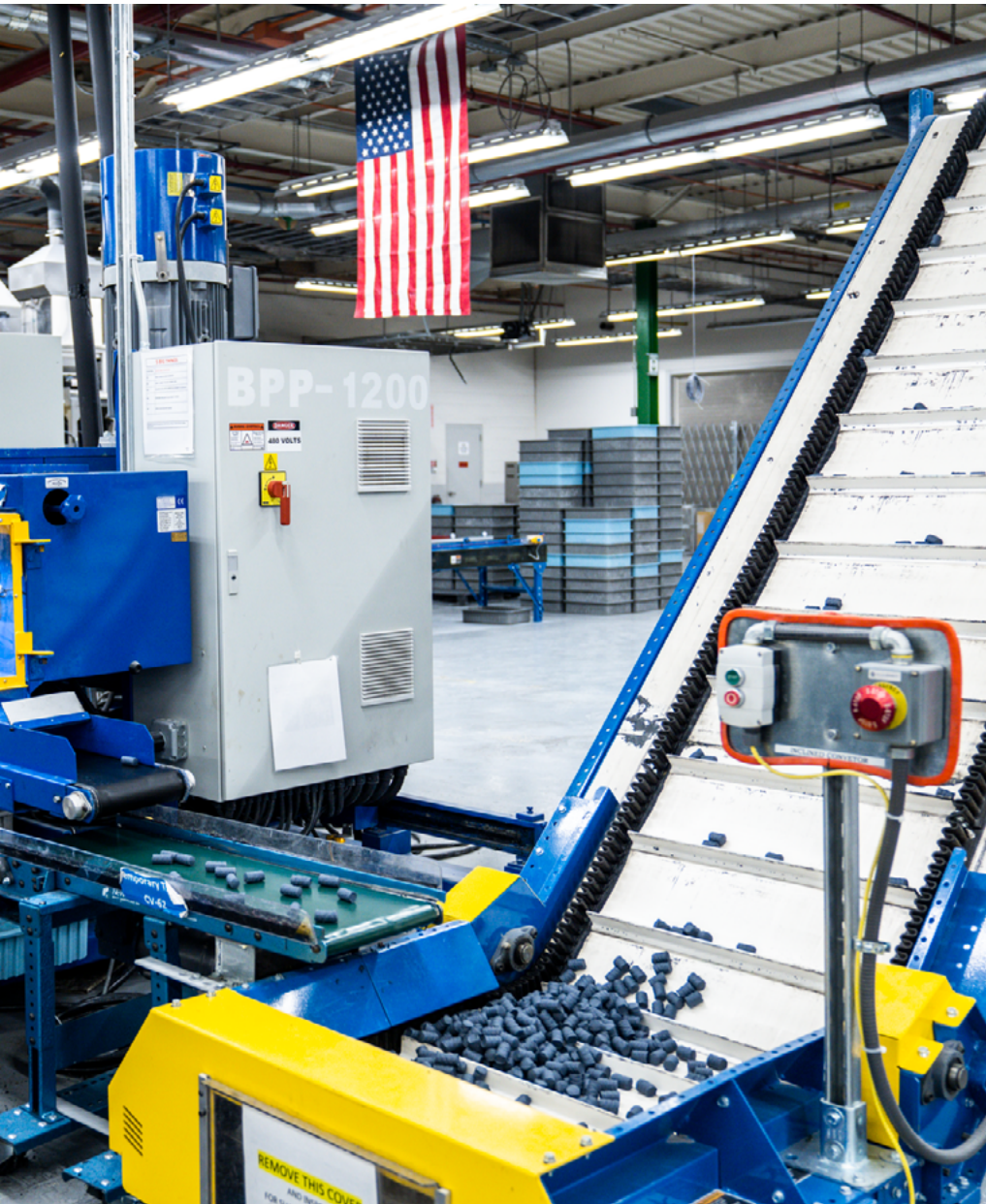
Callaway cares about being a responsible corporate citizen and is conscious of the environmental impact of our products throughout their lifecycle. In turn, we have implemented numerous initiatives aimed at reducing the impact of many of our products at various stages. Examples include pursuing energy and water efficiency retrofitting at our manufacturing facilities, reducing the amount of single-use plastic and cardboard packaging used in product transportation, and establishing recycling and scrapping procedures for when our products reach their end of life.

Where possible, Callaway seeks to extend the life of our products through product resale, repairs, and donations. Callaway's ['Trade In! Trade Up!' Program](#) encourages our customers to return lightly used golf clubs of any major brand in exchange for a credit toward the purchase of new Callaway products. We then refurbish and sell these clubs at our online store as certified, pre-owned equipment, helping to reduce the number of clubs adding to consumer waste. Callaway is also proud of its warranty program for golf products. In 2021, our Monterrey, Mexico facility repaired 14,243 clubs, thereby

extending the life of these clubs. In Japan, Callaway products that do not meet our cosmetic standards and cannot be upgraded to the highest quality by repair are sold in outlet stores to minimize products going to landfill.

Jack Wolfskin operates a repair shop in Hamburg, Germany to extend the life of its products and reduce clothing waste. A number of metrics are tracked to help understand the product lifecycle management performance. In a 16-month period from January 1, 2020 to May 1, 2021, customers used the following repair shop services:

- 3,445 professional wash and treatment services, which makes Jack Wolfskin's water-repellent products good as new
- 5,104 warranty repairs
- 2,303 goodwill repairs
- 3,356 out-of-warranty repairs



MATERIALS SOURCING AND EFFICIENCY

Callaway recognizes the potential environmental impacts generated by the use of raw materials in our manufacturing processes. We also believe that premium, high-performance products should be made from materials that are responsibly sourced. In turn, we are committed to transparently disclosing the materials we source, and we strive to mitigate the impact of their use.

Callaway sources a range of raw materials from domestic and international suppliers to manufacture certain Callaway products. Callaway sources mainly steel, titanium alloys, and carbon fiber for the manufacturing of golf clubs, and mainly synthetic rubber, thermoplastics, and zinc compounds for the manufacturing of golf balls. Callaway's [Conflict Mineral Policy](#) provides assurance that any sourcing of tin and tungsten will not directly or indirectly finance armed groups in the Covered Countries, as defined by the Conflict Minerals Regulation issued by the U.S. Securities and Exchange Commission ("SEC") under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, with further details included in Callaway's [SEC Specialized Disclosure Report](#).

For apparel and footwear, Callaway sources cotton, wool, rubber, and various synthetic fabrics, some of which are made from post-consumer recycled materials. Callaway strives to continually improve our understanding of the origins of raw materials we use, and is committed to ensuring that all raw materials in our supply chain are responsibly sourced.

Jack Wolfskin implements a number of practices to ensure its materials are sourced in a responsible and ethical manner, and publicly discloses its suppliers' accreditations on its [website](#). All materials Jack Wolfskin sources from animals — except wool — must be a by-product of the food industry, including all down and leather. All cotton used in Jack Wolfskin products is certified organic, and all feather down is independently certified by Responsible Down Standard to extend animal welfare. Jack Wolfskin exclusively uses Merino wool from non-mulesed sheep and has never used real fur, Angora, or Mohair wool. By 2025, Jack Wolfskin intends to have all its wool certified by the Responsible Wool Standard. Additionally, all recycled materials used by Jack Wolfskin are certified by the Global Recycled Standard. To learn more about Jack Wolfskin's sustainable sourcing practices, please visit [Social Responsibility at Jack Wolfskin](#).

To enhance resource efficiency, Callaway maintains numerous initiatives to increase our use of post-consumer recycled materials in products and packaging, which are highlighted in the [Product Design and Innovation](#) section of this report. Callaway conducts a New Material Review Process to evaluate the environmental and safety impact of the materials used in our manufacturing and assembly facilities, as well as supplier facilities. This process aims to reduce impacts to air quality, mitigate risk to worker safety and public health, and identify green alternatives. It also ensures that Callaway products do not contain restricted substances and are safe for our customers and the environment. Further information is available in the [Product Quality and Compliance](#) section of this report.

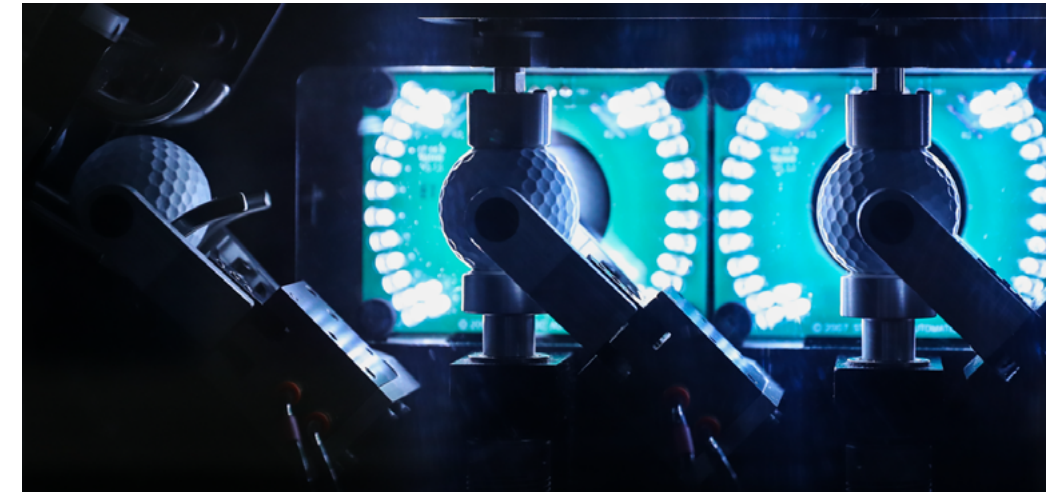
PRODUCT QUALITY AND COMPLIANCE

Callaway's commitment to ethical business means delivering premium products that ensure the safety of our customers and minimize the impact on the environment. Callaway's products do not contain hazardous substances, and the Company regularly tests its products to ensure they meet or exceed physical and chemical compliance requirements.

Callaway utilizes the RSL published by the American Apparel and Footwear Association ("AAFA") to ensure its products comply with global standards such as the Consumer Product Safety Commission ("CPSC"), EU REACH, and California's Proposition 65 requirements. Jack Wolfskin and TravisMathew also maintain product safety and quality standards according to the Jack Wolfskin [Green Book](#) and the TravisMathew Quality Manual, respectively. Jack Wolfskin independently requests that its partners use the ZDHC Manufacturing Restricted Substances List ("MRSL") which does not permit the use of prohibited chemicals, or that may exceed strict concentration limits, throughout the complete production process. Jack Wolfskin

also maintains a partnership with bluesign® to reduce hazards and risks associated with chemicals used in the textile manufacturing process. Currently, over 80% of Jack Wolfskin's fabrics have been approved by bluesign®.

In addition to working closely with regulatory agencies, Callaway participates in professional working groups such as the AAFA to ensure that we are upholding best practices and promoting them across our industry. To guarantee that Callaway products meet RSL requirements, we regularly work with suppliers to establish and improve their reasonable testing programs.^[1] These programs drive best practices, helping suppliers understand RSL restrictions and establish quality assurance systems. Through our own periodic testing, Callaway verifies that these reasonable testing programs continue to uphold the Company's product standards. Callaway also uses established quality policies and procedures that align with the American National Standards Institute's ASQ Z1.4 Standard: Sampling Procedures and Tables for Inspection by Attributes.



Internally, the Company's Compliance Team works closely with the Global Engineering and Quality Department to review new paints and solvents proposed for our products. From a toxicity standpoint, Callaway evaluates products to minimize and/or eliminate the use of "hazardous air pollutants," as defined by the U.S. EPA, and to reduce VOC emissions, which are a precursor to smog. Callaway compares the VOC content of our paints with limits established by the San Diego Air Pollution Control District, which are among the most stringent in the world.

Callaway's Quality Assurance Team invests time in training our suppliers on the Acceptable Quality Level process and in 2021, Callaway experienced no consumer retail product recalls due to safety or environmental compliance across all of our brands.

[1] A reasonable testing program is defined by guidance and best practice provided by the CPSC.



PROCUREMENT

Callaway believes premium products require suppliers that share our commitment to quality, honesty, and integrity. We view our suppliers as an extension of our Company and actively manage our supplier relationships in alignment with our belief that “good ethics is good business.” In turn, we prioritize selective, long-term supplier partnerships that uphold socially responsible business practices throughout our supply chain.

PROCUREMENT PRACTICES ↻

SUPPLIER ASSESSMENT AND ENGAGEMENT ↻

PROCUREMENT PRACTICES



Callaway has a longstanding commitment to responsible procurement. Over the last decade, we have consolidated the number of our manufacturing partners as much as possible, allowing us to build deeper, long-term relationships with fewer suppliers, and work together to achieve socially responsible procurement. Through consolidation, Callaway has been able to collaborate more closely with our suppliers and maintain a greater level of oversight of social and environmental performance. Callaway has implemented a number of practices and processes, described in this section, to ensure compliance with our social and environmental standards. These include: a supplier review and approval process; administrative controls such as contracts and agreements; thorough internal and third-party supplier audits; and employee and supplier training and education.

[1] Callaway brands include Callaway Golf, Jack Wolfskin, OGIO, and TravisMathew.

[2] This policy applies to Callaway and our subsidiaries, our suppliers, vendors and partners, and is applied to newly acquired ventures within a reasonable period after acquisition.

OVERVIEW OF SUPPLIER FACILITIES

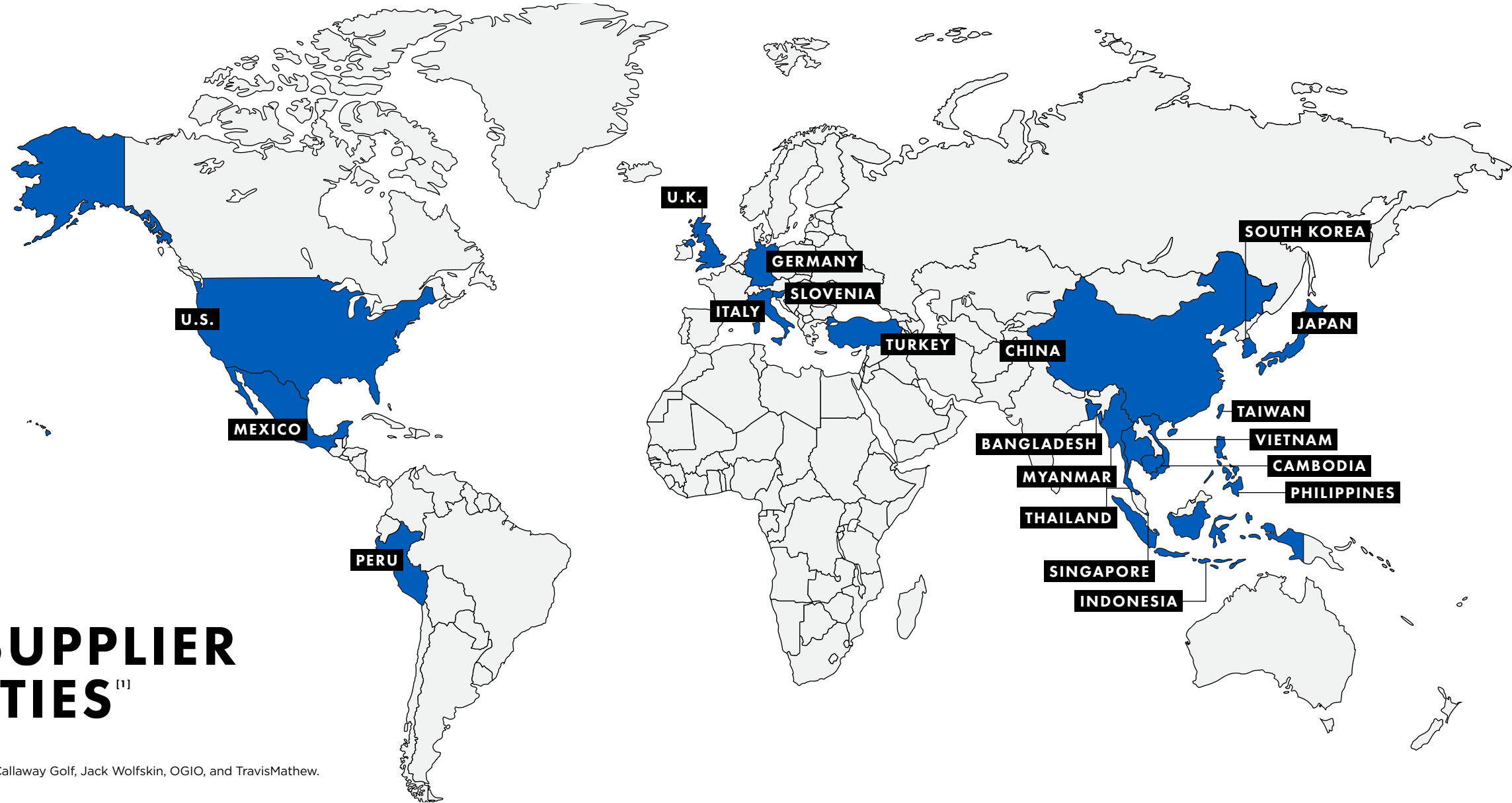
In 2021, Callaway brands contracted with manufacturing suppliers from 20 countries,^[1] with the majority of these countries located in Asia. The largest portion of the Company's external production volume originates from China, Indonesia, Taiwan, and Vietnam. Some of our suppliers operate in several locations; therefore, Callaway maintains a direct line of communication with individual manufacturing sites and optimizes each collaboration according to local conditions and circumstances.

NEW SUPPLIER SELECTION PROCESS

All of Callaway's new manufacturing suppliers are screened based on compliance with our [Supplier Code of Conduct](#)^[2], which requires suppliers to provide safe working conditions, treat workers with respect, and use socially and environmentally responsible business practices. We also require our suppliers' leadership to sign an agreement acknowledging their commitment to meeting our expectations. Callaway then conducts an extensive onboarding process, which requires new suppliers to be approved by Callaway's Corporate Social Responsibility ("CSR") Compliance, Trade Compliance, Security, Finance, Legal, and Program Management teams. Callaway's on-site sourcing team members also visit our new supplier partners to assess their performance and voice the Company's expectations face-to-face. In 2021, Callaway conducted audits of all 36 of our new suppliers.

OUR SUPPLIER FACILITIES ^[1]

[1] Callaway brands include Callaway Golf, Jack Wolfskin, OGIO, and TravisMathew.



SUPPLIER ASSESSMENT AND ENGAGEMENT

In order to drive continuous improvement in our supply chain, Callaway regularly assesses all new and existing suppliers through an extensive auditing process. Callaway conducts various types of audits, including: regular and occasionally unannounced on-site audits conducted or attended by Callaway personnel; collaborative or self-audits; and periodic third-party on-site audits. Our audits evaluate the performance of each supplier facility by applying a comprehensive catalogue of criteria aligned with our Supplier Code of Conduct, as well as standards and best practices established by our third-party audit responsible sourcing partners and benchmarked against recognized standards such as Sedex Members Ethical Trade Audit, Worldwide Responsible Accredited Production, and Business Social Compliance Initiative. Callaway is also a signatory to the Responsible Recruiting Commitment and Cambodia (Worker's Rights) Brand Letter. In addition, Jack Wolfskin independently audits its suppliers to meet the expectations of the Fair Wear Foundation ("FWF"), of which it is a member. These evaluations provide the Company's procurement teams with an accurate picture of each supplier facility's strengths,

shortcomings, and progress. Callaway transparently shares all audit results with the respective manufacturing partner and validates any corrective action that needs to be addressed within a defined timeframe.

Independent, third-party firms have conducted audits of Callaway suppliers since 2007 and all other brands within a reasonable time period post-acquisition. Auditing teams from these firms periodically visit our supplier facilities to assess working conditions and verify whether any improvement measures formerly agreed upon have been implemented successfully. They also benchmark Callaway's performance with leading customers and manufacturing peers to ensure that the Company is following best practices. To improve performance in lower-scoring supplier facilities, our CSR Compliance Program engages in training and educational outreach with facility management and employees. Callaway's full-time compliance specialists provide coaching to suppliers to help them improve their social and environmental performance, especially in areas such as reasonable working hours and fair compensation. Together, we work with our suppliers to chart a business path that is both economical and responsible.



In 2021, Callaway assessed 100% of the 75 suppliers subject to its social audit criteria. The majority of these suppliers met the Company's criteria for social compliance. Five suppliers were identified as companies that Callaway will partner with on various Performance Improvement Plans. One supplier was identified as having potentially discriminatory labor practices. This supplier was re-audited promptly, at which time we validated the supplier was in compliance. Callaway also audited all 75 suppliers subject to our environmental audit criteria, all of which met the Company's standards for environmental compliance.

HIGHLIGHT STORY

JACK WOLFSKIN

As a member of the Fair Wear Foundation since 2010, Jack Wolfskin has established industry-leading standards for fair, humane, and safe working conditions across its Tier 1 suppliers and subcontractors. The following section highlights key initiatives Jack Wolfskin implements with its manufacturing partners. For a comprehensive overview of Jack Wolfskin's management approach to socially responsible procurement, please refer to the brand's [website](#).

Commitment to Living Wages

Jack Wolfskin is committed to establishing living wages for the employees at their suppliers' factories. A living wage allows workers to provide for their families, to afford housing, and to pay for other important necessities. It reflects what workers in a family need to bring home based on the actual costs of living in a specific community, which is typically higher than a government regulated minimum wage. Jack Wolfskin does not operate its own manufacturing facilities and instead relies on a variety of suppliers to meet its production needs. This means that the brand does not directly employ or pay any production workers, which makes establishing living wages a challenge, as it is ultimately the supplier who pays the employees manufacturing its products. However, Jack Wolfskin diligently works with its manufacturing partners to try to secure living wages for their workers, believing that this is the just and sustainable way to conduct business.

Fair Wear Foundation
Workplace Education Programs

At Jack Wolfskin's supplier facilities, on-site trainings are offered to both management and employees within the scope of the FWF Workplace Education Programs. To this end, Jack Wolfskin sends experienced FWF representatives who are well acquainted with the local language, culture, and characteristics of that particular country to lead supplier education programs. The trainings provided create awareness around safe and fair working conditions and inform all involved parties of their statutory rights and obligations. FWF representatives also focus on the means and possibilities of constructive communication when encountering issues in the workplace, as well as the benefits of utilizing FWF's Complaints Management System. Jack Wolfskin further supports these efforts with supplementary trainings and seminars regarding country-specific topics. In Myanmar, for example, the FWF designed new training that enables Human Resources employees to determine the true age of job applicants, which helps to prevent child labor. Additional training topics include pricing to factor in living wages and the importance of free unionization. Jack Wolfskin aims to repeat these trainings, and others as they become available, at its suppliers' sites on an as-needed basis.



APPENDIX

[ABOUT THIS REPORT ↗](#)

[GRI CONTENT INDEX ↗](#)

[TCFD INDEX ↗](#)

ABOUT THIS REPORT

This 2021 Sustainability Report is the inaugural report for Callaway, providing a summary of Callaway's performance across corporate offices, facilities, and global operations. This report covers Callaway's fiscal year from January 1, 2021 to December 31, 2021, and contains material disclosures referencing GRI Standards.

This Sustainability Report focuses on Callaway's achievements and programs for 2021, although references to previous years may be included for context. It is structured around the material environmental and social topics Callaway identified through stakeholder engagement and a materiality assessment conducted in 2021. Through this process, Callaway has established the baseline year to be 2021, and is committed to developing and setting realistic and actionable goals over the next year, aiming to include them in the next Sustainability Report. Transparency is important to Callaway; therefore, Callaway is taking steps to further improve the data collection process for the Sustainability Report and strives to disclose additional data in future reports where possible.

With Callaway's merger with Topgolf in March 2021, standardized practices for collecting and integrating data across all subsidiaries remain in development. For the 2021 Sustainability Report, Callaway and Topgolf data is disclosed separately, unless otherwise stated. Franchises are not included in this report because they are independently run businesses.

All costs and financial figures throughout the report are provided in U.S. Dollars, unless otherwise noted.

Callaway did not seek external assurance from third parties with respect to the information in this report. The data presented in this 2021 Sustainability Report has been internally collected, reviewed, and validated for completeness and accuracy.

For any questions related to Callaway's 2021 Sustainability Report, please contact GlobalSustainability@callawaygolf.com.

2180 Rutherford Road
Carlsbad, California 92008
(760) 931-1771
www.callawaygolf.com



GRI CONTENT INDEX

DISCLOSURE	DISCLOSURE TITLE	LOCATION IN SUSTAINABILITY REPORT	NOTES
GENERAL STANDARDS			
Organizational Profile			
102-1	Name of the organization	See note.	Callaway Golf Company.
102-2	Activities, brands, products, and services	See note.	See our 2021 Form 10-K , pages 1-7.
102-3	Location of headquarters	See note.	Carlsbad, California.
102-4	Location of operations	See note.	See our 2021 Form 10-K , pages 1-7.
102-5	Ownership and legal form	See note.	Delaware corporation.
102-6	Markets served	See note.	See our 2021 Form 10-K , pages 1-7.
102-7	Scale of the organization	See note.	See our 2021 Form 10-K , pages 7, 8, and 53-59.
102-8	Information on employees and other workers	See note.	See our ESG Data Table , "Workforce Composition." See our 2021 Form 10-K , page 8. There is not a significant portion of the Company's activities that is performed by workers who are not employees of the Company.
102-9	Supply chain	Procurement	See also our Transparency in Supply Chains Act and UK Modern Day Slavery Act Policy .

DISCLOSURE	DISCLOSURE TITLE	LOCATION IN SUSTAINABILITY REPORT	NOTES
102-10	Significant changes to the organization and its supply chain	Procurement	See also our 2021 Form 10-K , pages 1, 2, and 11. In March 2021, Callaway Golf completed their merger with Topgolf International, Inc.
102-11	Precautionary Principle or approach	See note.	In order to mitigate our environmental impacts, Callaway's environmental policies and procedures endeavor to support the Precautionary Principle as referenced in the state of California's 'The Precautionary Principle in Action.' For example, Callaway's New Material Review Process follows a precautionary approach to approving chemicals used in our manufacturing facilities, and we do not use substances listed on the ZDHC MRSL.
102-12	External initiatives	See note.	Callaway Golf Company: AAFA Cambodia Brand Letter; AAFA Commitment to Responsible Recruitment Jack Wolfskin: Certifications from Textile Exchange (Global Recycled Standard; Responsible Down Standard; Responsible Wool Standard; Organic Content Standard); Fur Free Retailer Program; Grüner Knopf
102-13	Membership of associations	See note.	Callaway Golf Company: AAFA; Industrial Environmental Association of San Diego; United States Golf Association; The Professional Golfers' Association; Sports & Fitness Industry Association Jack Wolfskin: bluesign System Partner; Bundesverband der Deutschen Sportartikel-Industrie e.V.(BSI); European Outdoor Conservation Association; European Outdoor Group; FWF; German Fashion Association; Outdoor Industry Association; Sustainable Apparel Coalition
Strategy			
102-14	Statement from senior decision-maker	CEO Letter	
102-15	Key impacts, risks, and opportunities	TCFD Index	See also our 2021 Form 10-K , pages 13-46.

DISCLOSURE	DISCLOSURE TITLE	LOCATION IN SUSTAINABILITY REPORT	NOTES
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behavior	Our Culture Commitment to Ethics and Integrity	See also our 2021 Form 10-K , page 8. See also our Code of Conduct .
102-17	Mechanisms for advice and concerns about ethics	Commitment to Ethics and Integrity	See also our Code of Conduct . See also our Corporate Social Responsibility page .
Governance			
102-18	Governance structure	Corporate Governance Callaway Global Sustainability Program	See also our Corporate Governance Guidelines . See also our 2021 Proxy Statement , pages 9-25.
102-19	Delegating authority	Callaway Global Sustainability Program	See also our Corporate Governance Guidelines and Committee Charters .
102-20	Executive-level responsibility for economic, environmental, and social topics	Callaway Global Sustainability Program	See also our Corporate Governance Guidelines .
102-21	Consulting stakeholders on economic, environmental, and social topics	Materiality Assessment and Stakeholder Engagement	
102-22	Composition of the highest governance body and its committees	See note.	See our ESG Data Table , "Board Composition." See our 2021 Proxy Statement , pages 9, 10, 14, 15, and 25-36. See our Corporate Governance Guidelines .
102-23	Chair of the highest governance body	Corporate Governance	See also our 2021 Proxy Statement , page 27.
102-24	Nominating and selecting the highest governance body	See note.	See our 2021 Proxy Statement , pages 9-13, and 17.

DISCLOSURE	DISCLOSURE TITLE	LOCATION IN SUSTAINABILITY REPORT	NOTES
102-25	Conflicts of interest	See note.	See our Code of Conduct , pages 3-6. See our 2021 Proxy Statement , pages 9, 11, 16, and 17. See our Corporate Governance Guidelines .
102-26	Roles of highest governance body in setting purpose, values, and strategy	Callaway Global Sustainability Program Corporate Governance	See also our Corporate Governance Guidelines , pages 5-6. See also our 2021 Proxy Statement .
102-27	Collective knowledge of highest governance body	Callaway Global Sustainability Program	
102-29	Identifying and managing economic, environmental, and social impacts	Callaway Global Sustainability Program	See also our 2021 Proxy Statement , pages 18-21 and 43-45.
102-30	Effectiveness of risk management processes	Corporate Governance	The Company's Board oversees risk management of economic, environmental, and social topics and the mechanisms the Company possesses to control their associated risks. The Board-appointed Audit Committee's duties and responsibilities include reviewing and discussing the Company's policies with respect to risk assessment and risk management. See also our Audit Committee Charter , pages 1-4.
102-31	Review of economic, environmental, and social topics	Callaway Global Sustainability Program TCFD Index	
102-32	Highest governance body's role in sustainability reporting	Callaway Global Sustainability Program	
102-33	Communicating critical concerns	See note.	The Company's Corporate Audit update and the Chief Ethics Officer report are provided to the Audit Committee of the Board on a quarterly basis. All Company personnel leave the room to ensure an independent channel to avoid any conflict of interest during the independent board executive sessions. The General Counsel of the Company also has the option to call an executive session with the Board if needed. See our Audit Committee Charter .

DISCLOSURE	DISCLOSURE TITLE	LOCATION IN SUSTAINABILITY REPORT	NOTES
102-35	Remuneration policies	See note.	See our 2021 Proxy Statement , pages 22-24, 42-45, 51-56, 61, 62, and 64-69.
102-36	Process for determining remuneration	See note.	See our 2021 Proxy Statement , pages 16, 17, 22, and 42-58.
102-37	Stakeholders' involvement in remuneration	See note.	See our 2021 Proxy Statement , pages 42, 44, and 45.
102-38	Annual total compensation ratio	See note.	See our 2021 Proxy Statement , page 74.
Stakeholder Engagement			
102-40	List of stakeholder groups	Materiality Assessment and Stakeholder Engagement	
102-41	Collective bargaining agreements	See note.	See our ESG Data Table , "Labor Relations."
102-42	Identifying and selecting stakeholders	Materiality Assessment and Stakeholder Engagement	
102-43	Approach to stakeholder engagement	Materiality Assessment and Stakeholder Engagement	
102-44	Key topics and concerns raised	Materiality Assessment and Stakeholder Engagement	
Reporting Practice			
102-45	Entities included in the consolidated financial statements	See note.	Callaway Golf Company, OGIO, Jack Wolfskin, Topgolf, and TravisMathew are included in Callaway's 2021 Form 10-K .
102-46	Process for defining report content and topic Boundaries	Materiality Assessment and Stakeholder Engagement About This Report	
102-47	List of material topics	Materiality Assessment and Stakeholder Engagement	
102-48	Effect of restatements of information	See note.	No restatements, this is Callaway Golf's first report.
102-49	Significant changes in reporting	See note.	No changes, this is Callaway Golf's first report.

DISCLOSURE	DISCLOSURE TITLE	LOCATION IN SUSTAINABILITY REPORT	NOTES
102-50	Reporting period	About This Report	January 1st, 2021 – December 31st, 2021.
102-51	Date of most recent report	About This Report	This is the Company's first report.
102-52	Reporting cycle	See note.	Bi-annual.
102-53	Contact point for questions regarding the report	About This Report	GlobalSustainability@callawaygolf.com
102-54	Core or Comprehensive claim	About This Report	This report contains material disclosures referencing GRI Standards.
102-55	GRI content index	GRI Content Index	
102-56	Policy/practice for external assurance	About This Report	Internal assurance only.
ENVIRONMENTAL STANDARDS			
Materials			
103	Management approach	Materials Sourcing and Efficiency	
Energy			
103	Management approach	Energy Management	
302-1	Energy consumption within the organization	Energy Management	
302-3	Energy intensity	See note.	See our ESG Data Table , "Energy."
302-4	Reduction of energy consumption	Energy Management	

DISCLOSURE	DISCLOSURE TITLE	LOCATION IN SUSTAINABILITY REPORT	NOTES
Water and Effluents			
103	Management approach	Water and Wastewater Management	
303-1	Interactions with water as a shared resource	Water and Wastewater Management	
303-5	Water consumption	Water and Wastewater Management	See also our ESG Data Table , “Water.”
Emissions			
103	Management approach	Climate Change and Emissions	
305-4	GHG emissions intensity	Climate Change and Emissions	See also our ESG Data Table , “Emissions.”
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	See note.	See our ESG Data Table , “Emissions.”
Waste			
103	Management approach	Waste Management and Recycling	
306-1	Waste generation and significant waste-related impacts	Waste Management and Recycling	
306-2	Management of significant waste-related impacts	Waste Management and Recycling	
306-3	Waste generated	Waste Management and Recycling	See also our ESG Data Table , “Waste.”
306-4	Waste diverted from disposal	Waste Management and Recycling	See also our ESG Data Table , “Waste.”
306-5	Waste directed to disposal	Waste Management and Recycling	See also our ESG Data Table , “Waste.”

DISCLOSURE	DISCLOSURE TITLE	LOCATION IN SUSTAINABILITY REPORT	NOTES
Environmental Compliance			
103	Management approach	See note.	See our Code of Conduct , pages 9-10. See our Environmental, Health and Safety Policy .
307-1	Non-compliance with environmental laws and regulations	See note.	See our ESG Data Table , "Environmental Compliance."
Supplier Environmental Assessment			
103	Management approach	Supplier Assessment and Engagement	See also our Transparency in Supply Chains Act and UK Modern Day Slavery Act Policy .
308-1	New suppliers that were screened using environmental criteria	See note.	See our ESG Data Table , "Supplier Environmental Assessment."
308-2	Negative environmental impacts in the supply chain and actions taken	See note.	See our ESG Data Table , "Supplier Environmental Assessment."
SOCIAL STANDARDS			
Employment			
103	Management approach	Employee Attraction and Retention	
401-1	New employee hires and employee turnover	See note.	See our ESG Data Table , "Hiring."
401-3	Parental leave	See note.	See our ESG Data Table , "Parental Leave."
Occupational Health and Safety			
103	Management approach	Health and Safety of Our Employees	
403-1	Occupational health and safety management system	Health and Safety of Our Employees	

DISCLOSURE	DISCLOSURE TITLE	LOCATION IN SUSTAINABILITY REPORT	NOTES
403-2	Hazard identification, risk assessment, and incident investigation	Health and Safety of Our Employees	
403-3	Occupational health services	Health and Safety of Our Employees	
403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety of Our Employees	The Communication element of the IIPP establishes Operations and Department safety meetings that include worker participation.
403-5	Worker training on occupational health and safety	Health and Safety of Our Employees	
403-6	Promotion of worker health	Health and Safety of Our Employees	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety of Our Employees Health and Safety of Our Suppliers	
403-8	Workers covered by an occupational health and safety management system	Health and Safety of Our Employees	See also our ESG Data Table , “Safety.”
403-9	Work-related injuries	Health and Safety of Our Employees	See also our ESG Data Table , “Safety.”
403-10	Work-related ill health	Health and Safety of Our Employees	See also our ESG Data Table , “Safety.”
Training and Education			
103	Management approach	Employee Attraction and Retention	
404-1	Average hours of training per year per employee	See note.	See our ESG Data Table , “Training.”
404-2	Programs for upgrading employee skills and transition assistance programs	Employee Attraction and Retention	
404-3	Percentage of employees receiving regular performance and career development reviews	Employee Attraction and Retention	See also our ESG Data Table , “Training.”

DISCLOSURE	DISCLOSURE TITLE	LOCATION IN SUSTAINABILITY REPORT	NOTES
Diversity and Equal Opportunity			
103	Management approach	Diversity, Equity, and Inclusion	
405-1	Diversity of governance bodies and employees	Corporate Governance Diversity, Equity, and Inclusion	See also our ESG Data Tables , “Board Diversity” and “Employee Diversity.”
Freedom of Association and Collective Bargaining			
103	Management approach	Labor Practices and Human Rights of Our Employees Labor Practices and Human Rights of Our Suppliers	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Labor Practices and Human Rights of Our Employees Labor Practices and Human Rights of Our Suppliers	
Child Labor			
103	Management approach	Labor Practices and Human Rights of Our Employees Labor Practices and Human Rights of Our Suppliers	
408-1	Operations and suppliers at significant risk for incidents of child labor	Supplier Assessment and Engagement	Callaway’s CSR diligence for suppliers covers child labor.
Forced or Compulsory Labor			
103	Management approach	Labor Practices and Human Rights of Our Employees Labor Practices and Human Rights of Our Suppliers Supplier Assessment and Engagement	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Supplier Assessment and Engagement	Callaway’s CSR diligence for suppliers covers forced labor.

DISCLOSURE	DISCLOSURE TITLE	LOCATION IN SUSTAINABILITY REPORT	NOTES
Human Rights Assessment			
103	Management approach	Labor Practices and Human Rights of Our Employees Supplier Assessment and Engagement	
412-2	Employee training on human rights policies or procedures	Labor Practices and Human Rights of Our Employees	Training is required for all new employees and existing employees receive periodic training on the topics of Human Rights and the Callaway Code of Conduct .
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	See note.	See our ESG Data Table , “Human Rights Assessment.” The merger agreement with Topgolf is a significant contract for the Company and contains a compliance with laws provision. This includes compliance with human rights laws.
Social Supplier Assessment			
103	Management approach	Supplier Assessment and Engagement	
414-1	New suppliers that were screened using social criteria	New Supplier Selection Process	See also our ESG Data Table , “Supplier Social Assessment.”
414-2	Negative social impacts in the supply chain and actions taken	See note.	See our ESG Data Table , “Supplier Social Assessment.”
Customer Health and Safety			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	See note.	Callaway has not identified any non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of its products and services.
Marketing and Labeling			
417-2	Incidents of non-compliance concerning product and service information and labeling	See note.	Callaway has not identified any non-compliance with regulations and/or voluntary codes concerning product and service information and labeling.

TCFD INDEX

Callaway is conscious of the risks that climate change poses to our planet, our stakeholders, and our company. We have aligned this section of our report to the Financial Stability Board's Task Force on Climate-Related Financial Disclosures ("TCFD"). Callaway is beginning to assess and incorporate TCFD recommendations into our reporting, and we aim to report additional details in future reports.

GOVERNANCE

The Board and Executive Sustainability Committee oversee the Global Sustainability Program's goals and objectives, including those related to climate-related risks and opportunities. Discussions around these risks and opportunities and our management approach occur through our regular Global Sustainability Program communication channels, which include quarterly updates to the Executive Sustainability Committee and annual updates to the Board, in addition to quarterly reviews of our ESG performance inclusive of climate change by the Board's Nominating and Corporate Governance Committee.

STRATEGY

We have identified several climate-related risks that could materially adversely affect Callaway's business, financial condition, and results of our operations. Due to the seasonality of our businesses, there is the potential for unusual or severe weather conditions (flooding, drought, etc.) and fluctuations in weather patterns caused by climate change to cause significant adverse effects to our business. One such scenario is unfavorable weather conditions, which generally result in

fewer golf rounds played and reduced demand for all golf products, and in particular, golf balls. Furthermore, catastrophic storms can negatively affect golf rounds played both during the storms and afterward as storm-damaged golf courses undergo repairs and golfers choose to focus on repairing the damage to their homes, businesses, and communities. Consequently, sustained adverse weather conditions could materially affect sales.

We expect our expanding apparel business to experience stronger revenue during different times of the year than our golf-related business. However, a portion of the sales of our apparel products is dependent in part on the weather, and it is likely to decline in years in which weather conditions do not stimulate demand for our apparel products. Changing climate patterns may result in both risks and opportunities for our apparel business depending on prevailing temperatures during a season. For example, a risk scenario would feature periods of unseasonably warm weather in the fall or winter or unseasonably cold weather in the spring and summer. Unintended inventory accumulation by customers resulting from unseasonable weather in one season generally negatively affects orders in future seasons, which could have a material adverse effect on our business, financial condition, and results of operations. In particular, the Company's Jack Wolfskin business focuses primarily on outerwear and consequently experiences stronger sales for such products during the cold-weather months and the corresponding prior selling periods. A significant portion of the Jack Wolfskin business is highly dependent on cold-weather seasons and patterns to generate consumer demand for cold-weather apparel. Consumer demand for Jack Wolfskin branded cold-weather products may be negatively affected to the extent global weather patterns trend warmer and reduce typical patterns of cold-weather events or increase weather volatility.

RISK MANAGEMENT

Callaway's Sustainability Core Team periodically assesses our climate-related risks and opportunities and reports its findings to the Executive Sustainability Committee and the Board. The climate risk assessment which identified the previously mentioned risk scenarios will be further refined as we continue incorporating TCFD into our Global Sustainability Program. Continued engagement with our leadership teams will continue to help inform our strategy around climate risk management and mitigation procedures.

To mitigate our climate risks and impacts, Callaway is focused on continuing to improve our management of energy, waste, and natural resources. Energy consumption is a primary source of the Company's GHG emissions, and as part of our commitment to reduce our carbon footprint, we are seeking new ways to lower our overall energy consumption and increase our use of renewable energy sources. Callaway has continued to implement energy efficiency improvements and actively pursues new energy efficiency projects. We are also implementing initiatives to eliminate excess waste from the lifecycle of our products and increase water and raw material efficiency in our facilities and manufacturing processes. These initiatives are discussed in detail in the [Planet section](#) of this report.

METRICS AND TARGETS

In 2021, we conducted our first calculation of GHG emissions by converting our natural gas and electricity usage into CO₂ equivalent. We continue to enhance our energy and emissions tracking and internal reporting to help drive continuous improvement each year. Metrics related to emissions and energy consumption are located in the [Planet section](#) of this report.

